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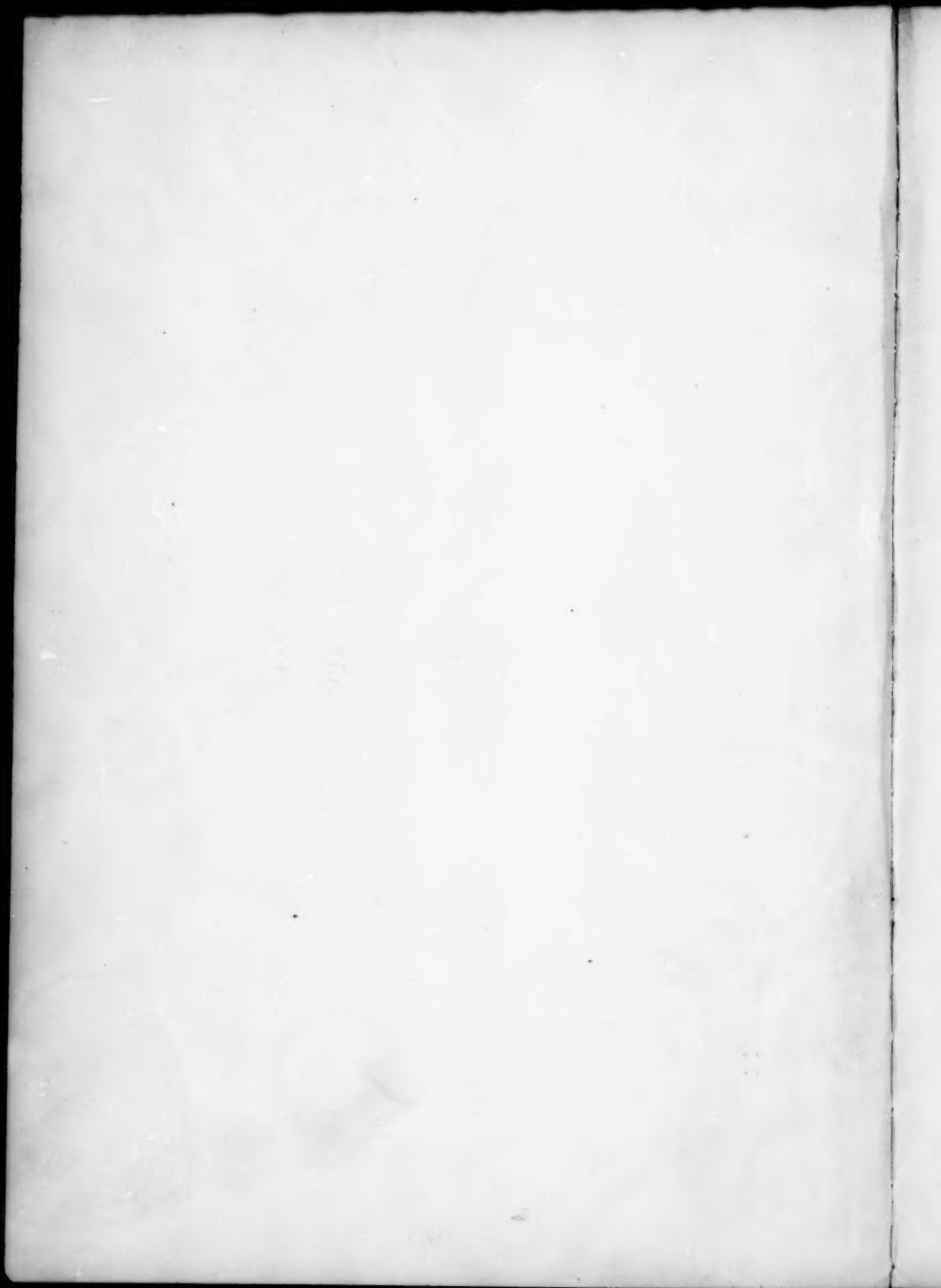
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## CONTENTS

---

### PRINCIPAL PAPERS

	PAGE
ALLEN, WILLIAM H. Efficiency in Religious Work .....	539
BARROWS, DAVID P. Education and Social Progress in the Philippines .....	69
BEVERIDGE, ALBERT J. The Development of a Colonial Policy for the United States .....	3
BRUMBAUGH, MARTIN G. An Educational Policy for Spanish- American Civilization .....	65
BRYCE, JAMES. Some Difficulties in Colonial Government En- countered by Great Britain and how they have been met.	16
CALDWELL, GEORGE B. Value of a Bond Department to a Bank or Trust Company .....	230
CAPEN, EDWARD WARREN. Modern Principles of Foreign Missions .....	461
CARSTENS, C. C. The Salvation Army—A Criticism .....	545
CHARLTON, PAUL. Naturalization and Citizenship in the In- sular Possessions of the United States .....	104
CLEVELAND, FREDERICK A. Bonds in their Relation to Cor- poration Finance .....	412
CLEVELAND, FREDERICK A. Classification and Description of Bonds .....	400
COCHRAN, JOSEPH WILSON. The Church and the Working Man .....	441
CORNWELL, WILLIAM C. Bonds as Additional Banking Reserve .....	292
EVANS, DANIEL. The Social Work of a Church in a Factory Town .....	503
EVANS, THOMAS S. The Christian Settlement .....	483
FARWELL, PARRIS T. The Social Work of a Suburban Church	496

(iii)

	PAGE.
FOLEY, WILLIAM. Bond Salesmanship .....	264
FOLEY, WILLIAM. Organization and Management of a Bond House .....	257
FOLKMAR, DANIEL. The Administration of a Philippine Province .....	115
HOLLANDER, JACOB H. The Financial Difficulties of San Domingo .....	93
HURD, GEORGE A. Real Estate Bonds as an Investment Security .....	350
IDE, HENRY C. Banking, Currency and Finance in the Philip- pine Islands .....	27
JENKS, JEREMIAH W. The Agricultural Bank for the Philip- pine Islands .....	38
JUDSON, EDWARD. The Church in its Social Aspect .....	429
KEMMERER, EDWIN WALTER. The Philippine Postal Savings Bank .....	45
KERBY, WILLIAM J. Social Work of the Catholic Church in America .....	473
KEYS, C. M. Bond Redemption and Sinking Funds .....	213
LAWLER, THOMAS B. The Position and Work of the Roman Catholic Church in the Philippines .....	83
LUDLAM, CHARLES S. Methods of Auditing and Accounting in a Bond House .....	284
MANGOLD, GEORGE B. The Church and Philanthropy .....	522
MCINTYRE, FRANK. Railroads in the Philippine Islands.....	52
MUNDY, FLOYD W. Railroad Bonds as an Investment Security	312
PARSONS, HERBERT. A Bureau of Information and Report for the Insular Possessions .....	123
Report of the Annual Meeting Committee .....	137
ROLLINS, MONTGOMERY. Tables of Bond Values—Theory and Use .....	233
SEAMAN, LOUIS LIVINGSTON. The Problem of the Philippines	130
SIMKHOVITCH, MARY KINGSBURY. The Settlement's Relation to Religion .....	490
SPEARE, CHARLES F. Selling American Bonds in Europe....	269
SPITZER, LYMAN. Industrial Bonds as an Investment .....	374
SPRAGUE, CHARLES E. The Proper Basis of Bond Accounts when held for Investment .....	193

## Contents

v

	PAGE
SPRAGUE, CHARLES E. The Valuation of Bonds on an Income Basis .....	201
SQUIRE, ANDREW. Essential Recitals in the Various Kinds of Bonds .....	248
STELZLE, CHARLES. Presbyterian Department of Church and Labor .....	456 +
TERRELL, PARK. Protection of Municipal Bonds .....	396
VAN DEUSEN, EDGAR. Electric Interurban Railway Bonds as Investments .....	336
WEIL, HARRY E. Municipal Bond Issues Explained .....	389
WEIL, HARRY E. The Physical Condition of a Municipality Issuing Bonds .....	384
WRIGHT, R. R., JR. Social Work and Influence of the Negro Church .....	509 -

---

### NOTES ON MUNICIPAL GOVERNMENT

CONDUCTED BY L. S. ROWE AND W. W. PIERSON

Relation of the Municipality to the Water Supply.—A symposium.....	557
Chicago, Philadelphia, Baltimore, Cleveland, Buffalo, San Francisco, Cincinnati, New Orleans, Detroit, Washington, Providence, Duluth.	

---

### BOOK DEPARTMENT

CONDUCTED BY CHESTER LLOYD JONES

#### REVIEWS

ABBOT, H. L. Problems of the Panama Canal— <i>E. R. Johnson</i> .....	604
ALEXANDER, E. P. Military Memoirs of a Confederate: A Critical Narrative— <i>D. Y. Thomas</i> .....	605
ALLEN, W. H. Efficient Democracy— <i>C. Kelsey</i> .....	171
ASHLEY, P. Local and Central Government— <i>W. E. Hotchkiss</i> .....	172
VON BERNHARDI, F. W. Cavalry in Future Wars— <i>P. C. Hains</i> .....	606

	PAGE.
BISLAND, ELIZABETH. The Life and Letters of Lafcadio Hearn— <i>P. S. Reinsch</i> .....	607
BOSANQUET, HELEN. The Family— <i>Emily F. Meade</i> .....	173
BURRAGE, H. S., Ed. Early English and French Voyages, 1534-1608— <i>H. V. Ames</i> .....	183
CHADWICK, F. E. Causes of the Civil War, 1859-61— <i>W. L. Fleming</i> .....	174
FISHER, I. The Nature of Capital and Income— <i>H. R. Seager</i> .....	175
FORBES-LINDSAY, C. H. America's Insular Possessions. Two Vols.— <i>C. C. Plehn</i> .....	179
GORST, J. E. The Children of the Nation— <i>W. H. Allen</i> .....	609
HAMILTON, A. Afghanistan— <i>Laura Bell</i> .....	610
HAMILTON, C. H. A Treatise on the Law of Taxation by Special Assessments— <i>J. A. McCullough</i> .....	610
HOBHOUSE, L. T. Morals in Evolution. Two Vols.— <i>C. Kelsey</i> .....	180
HODGE, F. W., AND LEWIS, T. E., Eds. Spanish Explorers in the Southern United States, 1528-43— <i>H. V. Ames</i> .....	183
HOSMER, J. K. The Appeal to Arms, 1861-63— <i>W. L. Fleming</i> .....	182
JAMESON, J. F., Gen'l Ed. Original Narratives of Early American History. Three Vols.— <i>H. V. Ames</i> .....	183
KELYNACK, T. N., Ed. The Drink Problem in its Medico-Sociological Aspects— <i>C. A. Elkwood</i> .....	611
MCCLELLAND, C. P., AND HUNTINGTON, C. C. History of the Ohio Canals— <i>E. R. Johnson</i> .....	616
MEYER, B. H. A History of the Northern Securities Case— <i>E. R. Johnson</i> .....	616
OGDEN, R., Ed. Life and Letters of Edwin Lawrence Godkin. Two Vols.— <i>C. L. Raper</i> .....	612
OLSON, J. E., AND BOURNE, E. G., Eds. The Northmen, Columbus, and Cabot, 985-1503— <i>H. V. Ames</i> .....	183
PARSONS, ELSIE C. The Family— <i>C. Kelsey</i> .....	185
PARSONS, F. The Heart of the Railroad Problem— <i>E. R. Johnson</i> .....	616
PARSONS, F. The Railways, the Trusts and the People— <i>E. R. Johnson</i> ..	616
PAULLIN, C. O. The Navy of the American Revolution: Its Administration, its Policy and its Achievements— <i>H. C. Bell</i> .....	614
PRENTICE, E. P. The Federal Power over Carriers and Corporations— <i>E. R. Johnson</i> .....	186
PRICE, W. H. The English Patents of Monopoly— <i>E. P. Cheyney</i> .....	188
REINSCH, P. S. American Legislatures and Legislative Methods— <i>L. F. Witmer</i> .....	615
RIPLEY, W. Z., Ed. Railway Problems; PARSONS, F., The Railways, the Trusts and the People; PARSONS, F., The Heart of the Railroad Problem; MEYER, B. H., A History of the Northern Securities Case; WEBB, W. L., The Economics of Railroad Construction; MCCLELLAND, C. P., AND HUNTINGTON, C. C., History of the Ohio Canals— <i>E. R. Johnson</i> .....	616
SMITH, J. A. The Spirit of American Government— <i>F. I. Herriott</i> .....	620

	PAGE.
TAKEKOSHI, Y. Japanese Rule in Formosa— <i>C. L. Jones</i> .....	622
WASHINGTON, B. T. Frederick Douglass— <i>R. R. Wright, Jr.</i> .....	623
WEALE, B. L. P. The Truce in the East and its Aftermath— <i>C. L. Jones</i> .....	189
WEBB, S., AND BEATRICE. English Local Government from the Revolution to the Municipal Corporation Act: The Parish and the County— <i>E. P.</i> <i>Cheyney</i> .....	191
WEBB, W. L. The Economics of Railroad Construction— <i>E. R. Johnson</i> .....	616
WENDELL, B. Liberty, Union and Democracy— <i>L. S. Rowe</i> .....	624

## NOTES

AVEBURY, LORD. On Municipal and National Trading .....	149
BARKER, J. E. The Rise and Decline of the Netherlands .....	150
BLACKMAR, F. W. Economics .....	150
BROOKS, H. K. Brooks' Foreign Exchange Text Book .....	151
BRUCE, P. A. Economic History of Virginia in the Seventeenth Cen- tury. Two Vols. ....	593
BURBANK, L. The Training of the Human Plant .....	151
Bureau of American Ethnology. Handbook of American Indians .....	151
VON CHLUMECKY, L. Osterreich-Ungarn und Italien .....	152
CORNFORD, F. M. Thucydides Mythistoricus .....	152
DAVENPORT, FRANCES G. The Economic Development of a Norfolk Manor, 1086-1565 .....	153
DAVIS, M. M. Gabriel Tarde: An Essay in Sociological Theory .....	154
DORSEY, A. The Pawnee Mythology. Part I. ....	154
DUDLEY, E. S. Military Law and the Procedure of Courts-Martial .....	155
DUPLESSIX, E. La Loi des Nations .....	155
FINOT, JEAN. Race Prejudice .....	155
FLEMING, W. L. Documentary History of Reconstruction. Vol II. ....	156
FORBES-LINDSAY, C. H. Panama .....	157
GARCIA, J. A. Memorias de un Sacristan .....	157
GOURDIN, A. La Politique Française en Maroc .....	158
GULICK, L. H. The Efficient Life .....	158
HAMLIN, C. S. Interstate Commerce Acts Indexed and Digested. ....	159
HEATH, H. L. The Infant, the Parent, and the State .....	159
HINCKLEY, F. E. American Consular Jurisdiction in the Orient .....	160
HOLT, B. W., Ed. The Gold Supply and Prosperity .....	160
HOMANS, J. E. Self-Propelled Vehicles .....	161
HUME, M. Through Portugal .....	594
Industries à Domicile en Belgique, Les. Vol. VIII .....	161
JACOB, R. U. A Trip to the Orient .....	594
JOHNSTON, A. American Political History, 1763-1876. Part II .....	162
KIRKPATRICK, F. A. Lectures on British Colonization and Empire. First Series, 1600-1783 .....	595
KOBATSCH, R. Internationale Wirtschaftspolitik .....	162
KONKLE, B. A. The Life of Chief Justice Ellis Lewis, 1798-1871 .....	163



	PAGE
LAWSON, W. R. American Finance. Part I. Domestic .....	596
LEE, J. Religious Liberty in South America.....	164
LE ROSSIGNOL, J. E. Orthodox Socialism.....	596
LEWIS, A. Rise of the American Proletarian .....	597
MONTGOMERY, H., AND CAMBRAY, P. G., Eds. A Dictionary of Political Phrases and Allusions .....	598
MOORE, F. The Balkan Trail .....	598
MORGAN, L. H. Ancient Society .....	164
MOSES, B. The Government of the United States .....	165
MUENSTERBERG, G. Amerikanisches Armenwesen .....	165
NEWMAN, G. Infant Mortality a Social Problem .....	165
OBER, F. A. Amerigo Vespucci .....	599
OBER, F. A. Ferdinand Magellan .....	599
PAINE, R. D. The Greater America .....	599
PHYFE, W. H. P. Napoleon: The Return from Saint Helena .....	600
PIERSON, W. W. Civics of Pennsylvania .....	166
PLUMB, C. S. Types and Breeds of Farm Animals .....	600
POND, O. L. Municipal Control of Public Utilities .....	166
Revenue and Taxation of the State of California .....	167
ROUGET, M. F. L'expansion Coloniale au Congo Français .....	601
SNIDER, G. E. The Taxation of the Gross Receipts of Railways in Wis- consin .....	167
STARKE, J. Alcohol: The Sanction for its use .....	168
STARR, F. The Truth about the Congo .....	602
STEINER, B. C. Maryland During the English Civil Wars. Part I. ....	603
THOMAS, N. W. Kinship Organizations and Group Marriages in Aus- tralia .....	168
TOUT, T. F. An Advanced History of Great Britain .....	168
TOWER, W. S. A History of the American Whale Fishery .....	603
TRINE, R. W. In the Fire of the Heart .....	169
VAY DE VAYA AND LUSKOD, COUNT. Empires and Emperors .....	169
WRIXON, H. The Pattern Nation .....	170

---

#### SUPPLEMENT

IMPERSONAL TAXATION.—A discussion of some rights and wrongs of govern-  
mental revenue. By Charles Herbert Swan, of the Massachusetts Bar.  
September, 1907. Pp. 149.

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CONTENTS

SPECIAL ANNUAL MEETING NUMBER

---

PART I

AMERICAN AND BRITISH COLONIAL POLICIES

THE ANNUAL ADDRESS: THE DEVELOPMENT OF A COLONIAL POLICY FOR THE UNITED STATES.....	PAGE 3
Hon. Albert J. Beveridge, United States Senator from Indiana	
SOME DIFFICULTIES IN COLONIAL GOVERNMENT ENCOUNTERED BY GREAT BRITAIN AND HOW THEY HAVE BEEN MET .....	16
Right Honorable James Bryce, Ambassador from Great Britain to the United States	

## PART II.

# INDUSTRIAL AND FINANCIAL PROBLEMS IN THE DEPENDENCIES OF THE UNITED STATES

	PAGE
BANKING, CURRENCY AND FINANCE IN THE PHILIPPINE ISLANDS.....	27
Hon. Henry C. Ide, Ex-Governor General of the Philippine Islands	
THE AGRICULTURAL BANK FOR THE PHILIPPINE ISLANDS. .	38
Professor Jeremiah W. Jenks, Ph. D., LL.D., Cornell University, Ithaca, N. Y.	
THE PHILIPPINE POSTAL SAVINGS BANK.....	45
Edwin W. Kemmerer, Ph.D., Cornell University, Ithaca, N. Y.	
RAILROADS IN THE PHILIPPINE ISLANDS.....	52
Captain Frank McIntyre, Assistant Chief of Bureau of Insular Affairs, Washington, D. C.	

## PART III

# EDUCATIONAL PROBLEMS IN THE DEPENDENCIES

AN EDUCATIONAL POLICY FOR SPANISH-AMERICAN CIVILIZATION.....	65
Professor Martin G. Brumbaugh, Superintendent of Schools, Philadelphia, and former Commissioner of Education for Porto Rico	
EDUCATION AND SOCIAL PROGRESS IN THE PHILIPPINES...	69
Hon. David P. Barrows, Director of Education for the Philippine Islands	
THE POSITION AND WORK OF THE ROMAN CATHOLIC CHURCH IN THE PHILIPPINES.....	83
Thomas B. Lawler, A.M., New York City	



*Contents*

iii

PART IV.

**LEGAL AND POLITICAL PROBLEMS AFFECTING  
THE DEPENDENCIES**

	PAGE
THE FINANCIAL DIFFICULTIES OF SAN DOMINGO.....	93
<b>Professor Jacob H. Hollander, Ph.D.</b> , Johns Hopkins University, former Treasurer of Porto Rico and Confidential Agent of the United States to San Domingo.	
NATURALIZATION AND CITIZENSHIP IN THE INSULAR POS- SESSIONS OF THE UNITED STATES.....	104 ✓
<b>Hon. Paul Charlton</b> , Law Officer of the Bureau of Insular Affairs, Washington, D. C.	
THE ADMINISTRATION OF A PHILIPPINE PROVINCE.....	115
<b>Hon. Daniel Folkmar</b> , Former Lieutenant-Governor for Bontoc Sub-Province, Philippine Islands	
A BUREAU OF INFORMATION AND REPORT FOR THE INSU- LAR POSSESSIONS.....	123 ✓
<b>Hon. Herbert Parsons</b> , Member of Congress from New York	
THE PROBLEM OF THE PHILIPPINES.....	130
<b>Louis Livingston Seaman, M.D., A.B., LL.B.</b> , New York City	

---

PART V

APPENDIX.....	137
---------------	-----

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PART VI

BOOK DEPARTMENT.....	149
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## BOOK DEPARTMENT

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Notes, pp. 149-170.

### REVIEWS

- ALLEN—*Efficient Democracy* (p. 171) ..... Carl Kelsey  
ASHLEY—*Local and Central Government* (p. 172) ..... W. E. Hotchkiss  
BOSANQUET—*The Family* (p. 173) ..... Emily Fogg Meade  
CHADWICK—*Causes of the Civil War, 1859-1861* (p. 174) ..... W. L. Fleming  
FISHER—*The Nature of Capital and Income* (p. 175) ..... Henry R. Seager  
FORBES-LINDSAY—*America's Insular Possessions*, 2 vols. (p. 179) ..... Carl C. Plehn  
HOBHOUSE—*Morals in Evolution*, 2 vols. (p. 180) ..... Carl Kelsey  
HOSMER—*The Appeal to Arms, 1861-1863* (p. 182) ..... W. L. Fleming  
JAMESON (General Editor)—*Original Narratives of Early American History*, 3 vols.  
(p. 183) ..... H. V. Ames  
PARSONS—*The Family* (p. 185) ..... Carl Kelsey  
PRENTICE—*The Federal Power over Carriers and Corporations* (p. 186) .. Emory R. Johnson  
PRICE—*The English Patents of Monopoly* (p. 188) ..... E. P. Cheyney  
WEALE—*The Truce in the East and its Aftermath* (p. 189) ..... C. L. Jones  
WEBB—*English Local Government from the Revolution to the Municipal Corporation  
Act: The Parish and the County* (p. 191) ..... E. P. Cheyney

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### LIST OF CONTINENTAL AGENTS

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PART ONE

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*American and British Colonial  
Policies*

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THE ANNUAL ADDRESS—THE DEVELOPMENT OF A COLONIAL  
POLICY FOR THE UNITED STATES

**BY HONORABLE ALBERT J. BEVERIDGE,**  
UNITED STATES SENATOR FROM INDIANA.

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SOME DIFFICULTIES IN COLONIAL GOVERNMENT  
ENCOUNTERED BY GREAT BRITAIN AND  
HOW THEY HAVE BEEN MET

**BY THE RIGHT HONORABLE JAMES BRYCE,**  
AMBASSADOR FROM GREAT BRITAIN TO THE UNITED STATES.



## THE DEVELOPMENT OF A COLONIAL POLICY FOR THE UNITED STATES

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BY HON. ALBERT J. BEVERIDGE,  
United States Senator from Indiana.

---

Administration is the principle upon which our colonial policy should proceed for a century to come. Wherever we have departed from the idea of administration as such, we have made an error which natural conditions will gradually compel us to correct. Not sudden "self-government" for peoples who have not yet learned the alphabet of liberty; not territorial independence for islands whose ignorant, suspicious and primitive inhabitants, left to themselves, would prey upon one another until they become the inevitable spoil of other powers; not the flimsy application of abstract governmental theories possible only to the most advanced races and which, applied to undeveloped peoples, work out grotesque and fatal results—not anything but the discharge of our great national trust and greater national duty to our wards by common-sense methods will achieve the welfare of our colonies and bring us success in the civilizing work to which we are called. And common sense in the management of our dependencies means practical administration of government until our wards are trained in continuous industry, in orderly liberty and in that reserve and steadiness of character through which alone self-government is possible.

Such administration of government is nature's method for the spread of civilization. Throughout all history administering peoples have appeared. Always these peoples have been the most advanced peoples of their time. These advanced peoples have extended their customs and their culture by the administration of government to less developed peoples. Thus, in the process of the centuries, these backward peoples have evolved those qualities of mind and character and that mode of living called civilization. This is true of the ancient nations—witness the effect of Latin administration, harsh and even cruel as it was, upon the ultimate development and destiny of Gaul and Teuton. It is true of modern

nations—witness the miracle that England has wrought all over the world—a miracle which, upon the page of ultimate history, will be England's chiefest glory. And now this same duty that has come to every people who have reached our present state of enlightenment and power must be performed by the American people in Nature's way, and not in the fantastic manner of sincere but dreaming theorists, on the one hand, or insincere and shallow politicians on the other.

The art of colonial government is not new—it is as old as chronicle itself. When they had reached that period of growth which may be called their national manhood, nearly every people have undergone territorial expansion and extended their rule over the inhabitants of alien lands; and they did not withdraw this rule till their strength began to decline. And when that decadence came, the seeds of civilization planted by their administration of colonies remained, sprouted, grew and finally bore beneficent fruit. In this, as in nearly everything else, the experience of nations duplicates the experience of individual men. No greater truth was ever uttered than this profound sentence of Olive Schreiner—"The eternal analogy holds." Apply this to the lives of men and nations. The child is instructed and guided; little by little he evolves independent powers; then achieves his manhood and performs his life-work, which work is measured precisely by his vigor, his courage and his moral ideals; and finally as age approaches, as the blood cools and heart-beats grow fainter, he gradually stops his activities, reefs the sails of his enterprise, and makes for the harbor of quiet and repose.

This period of colonial administration has been reached by the American nation. That period was inevitable. The Spanish War was only its opportunity. Our rapidly-increasing power determined it; our commercial needs determined it; more than either, geography determined it; and, most of all, our duty to the world as one of its civilizing powers determined it. It was inevitable that, in the end, American control should extend over Cuba, San Domingo, and Porto Rico. It was inevitable that Hawaii—the halfway house of the Pacific—should become American—witness Humboldt's prophecy concerning the Pacific. And Hawaii once American, it was inevitable that further expansion over the



western seas should occur—for it is the genius of our race not to stop forever at any halfway house. The people of our blood never pause midway in the syllogism of events, but go on to its conclusion. And so in our present and future colonial expansion, we shall only be working out the logic of history.

Another thing: none of our possessions will ever be given up until our power has begun to wane, and the days of our decline have fallen upon us. "What we have we hold," is the motto of our blood. Show me an instance where England has set up her permanent dominion over an inferior people which she has withdrawn; an instance where Germany has done the like and withdrawn; an instance where we Americans have done the like and withdrawn. It is not in our blood to retreat from duty.

Cuba is no example; for the Platt amendment established there the most perfect suzerainty in the world, and Cuba was under potential American authority every moment that politicians, for stump speech purposes, were declaiming about our withdrawal and apostrophizing "Cuba Libre." Hawaii is no example, for the dishonorable mistake of withdrawing from those islands has been repaired. No American public man has ever survived resistance to American territorial expansion. No American political party has ever successfully opposed it. The proudest monuments of many of our greatest statesmen have been their championship of this expanding instinct of our blood.

In final history, Jefferson will be remembered chiefly for his Louisiana Purchase, which is now the geographical heart of the Republic. Polk and Taylor would already be forgotten but for the war with Mexico and the imperial dominion our victory gave us. Seward, splendid as his public services were and exalted as his statesmanship was, would be little known to the masses to-day but for his acquisition of Alaska; and McKinley's name would in the record of a century hence have received no more than commonplace mention but for the Spanish conflict, and the bringing of the islands of the sea beneath the folds of our flag.

None of this is accident. There is reason and purpose in it all—that reason and purpose which we who are its present instruments do not comprehend, but which the historic observer of the future will see as clearly as we to-day see the same reason and purpose

in the history of other peoples now far enough in the past to give us perspective and proportion. If any one cherishes the delusion that American government will ever be withdrawn from our possessions, let him consult the religious conviction of this Christian people. Let him find what the American pulpit thinks of such a surrender to non-Christian powers of our duty and opportunity in the Orient. Let him school himself in the missionary spirit of the American masses. Let him learn the views of the millions of young American men and women who weekly gather in Epworth League, Christian Endeavor, Knights of Columbus, and a score of other like societies all over the Republic, concerning the withdrawal of the American flag, and all it means from the Philippines, Hawaii, Porto Rico, or any other spot over which it floats or will hereafter be raised. Let him, above all, consider history, and study our racial instinct. No! our flag will not be lowered anywhere. Our duty of administration of orderly government to weaker peoples will not be abandoned. Where we are we stay. And where nature and events in the future shall direct us to go, there we will go.

This fundamental fact settled, what of the development of our colonial policy? The ruling principle along which that policy must be evolved was clear from the first. I repeat it is the principle of administration. From this principle we have departed somewhat—departed because of the supposed exigencies of party politics; because of the foolish attempts to apply a self-government, which we ourselves have taken a thousand years to work out, to a people that are centuries behind us in development; because of the ignorance of some of our public men, the impatience of others, with the vast but simple duties which our colonial task presents. We have been "playing politics" in the government of dependencies. To these causes are due every departure from the natural principle of administration. And it is from these departures that all our future difficulties will flow.

We have extended "self-government," so-called, too rapidly in the Philippines. This is admitted by the Philippine Commission itself. In the commission's last report the commission says:

Undoubtedly, if there has been an error it has not been in the direction of restriction, or rather in the granting of perhaps a larger measure of self-



government than a people absolutely untrained in the exercise of any of the functions of government were prepared for.

The "election" of chiefs of municipalities by the people with power to raise and distribute taxes has too often resulted, according to Mr. Alleyne Ireland, in a diversion of funds from proper purposes and the prostitution of the local police to be the body servants of municipal officers. The "election" of provincial governors was a similar error—both were done too hastily and too soon. The diffusion of power, from the very beginning, in the government of a people so simple was a basic error—we should have waited a couple of decades at least, for in the life of a people a decade is but an hour. This is the unanimous verdict of all careful scientific students who have gone over the ground; and many such have deeply studied the question on the spot. This, too, is the unbroken experience of every nation which has made a success of colonial government. This will delay our ultimate success, but will not prevent it. Another like and larger error will delay it still more; but will not ultimately prevent it. That error is the granting of a native legislature to the Philippine Islands decades before the people were prepared for it. At the very moment when suffrage is being restricted in certain sections of our nation itself, we are bestowing it on Filipinos who have no preparation for or understanding of it.

Earnest attempts were made to create this legislature five years ago. I earnestly opposed it in committee, and with the assistance of Senator Allison, of Iowa, and Senator McComas, of Maryland, two members of the Philippine committee, and under the guidance of that ablest constructive statesman of the last half century, Orville H. Platt, of Connecticut, was able to delay it, until the present time, by the device of requiring a census. Many sincere men thought a legislature wise; others, equally sincere, believed it the performance of our duty to American ideals; but most considered this grave business solely from the view-point of "campaign politics." Men totally ignorant of conditions, and caring absolutely nothing for a statesman-like solution of this great problem were anxious to go to the country and make stump speeches about our grant of self-government to the Filipinos; and similar men in other parties were anxious to make similar stump speeches about our "failure to grant self-government to the Filipinos."

It was clear at that time, as it will be demonstrated in the near future, that a Philippine legislature, elected by a people who have not yet acquired the first elements of orderly industry; ninety-eight per cent of whom cannot read or write any language; the immense majority of whom speak different tongues; and all of whom are easily swayed by brilliant and selfish demagogues, of whom there are many in the archipelago—it was clear five years ago as it will be demonstrated five years from now, that such a legislature will be a hindrance to Philippine progress and the culture spot of dissension and trouble. Not only that, but such a legislature will be the magnet that will draw foreign intrigue to the Philippines, to the recurring embarrassment of the American people. Nothing will be easier, more natural, more inevitable than that unfriendly powers will have their agents in such a legislature. I earnestly hope events may prove that I am wrong about this, and no one will rejoice so much as I if the future shows that I am wrong.

There can be no immediate correction of these mistakes. Events, which are as certain to arrive as the future itself, must and will swing us back to the true policy of colonial administration. Meantime patience and firmness are our words of wisdom. That simple administration is the true principle of colonial policy is proved not only by the universal experience of other nations, but by our own as well. It is a broad statement, but absolutely true, that, with one exception, no such cleansing, uplifting, civilizing work was ever done by any people for another as the American people did for the Cubans under the administration of Leonard Wood; the only record of equal brilliancy is that made by Lord Cromer in Egypt. Practicing simple administration—the power concentrated in the hands of one man *who was responsible to the American people*—General Wood achieved in his regeneration of Cuba what doubters declared to be impossible. We wrought more for the actual liberty of the Cuban people in three years than any similar people ever accomplished by themselves, under any form of foreign government, in half a century.

But what American administration did for Cuba the Cubans themselves destroyed in a time so brief that it seems but a moment as history runs. What American administration builded in a day, the Cubans themselves demolished in a day. If it be said that Span-

ish administration along similar lines failed in both Cuba and the Philippines, and that, therefore, the principle is disproved, the answer is that the Spaniards are no longer a successful administrative race as the English are, or the Germans, or as the American people are coming to be. We have developed and are developing the ablest administrators of all time. Witness those amazing and honest managements of some of our mighty corporations and of some of the continental railroads. Witness the executive ability displayed in our whole business world where the men employed in single giant enterprises and the families dependent upon those men are sufficient in numbers to constitute a government. That this administrative ability which our industrial civilization is developing, is equally able in colonial fields is proved by Winthrop in Porto Rico, by Wood in Cuba, by Taft in the Philippines. Had the management of Philippine affairs been placed exclusively in the hands of that great man, unvexed by the little tricks of partisan politics, his splendid success would have been even greater than it was.

Speaking on the subject of our colonial policy in the Philippines in the Senate of the United States, on January 9, 1900, I said:

Our government must be simple and strong. Simple and strong! The meaning of those two words must be written in every line of Philippine legislation, realized in every act of Philippine administration. A Philippine office in our Department of State; an American Governor-General in Manila with power to meet daily emergencies; possibly an advisory council with no power except that of discussing measures with the Governor-General, which council would be the germ of future legislatures, a school in practical government; American Lieutenant-Governors in each province, with like councils about them; if possible an American resident in each district, and a like council grouped about him, frequent and unannounced visits of provincial governors to the districts of their province; periodical reports to the Governor-General; an American Board of Visitation to make semi-annual trips through the archipelago, without power of suggestion or interference to officials or people, but only to report and recommend to the Philippine office of our State Department; a Philippine civil service with promotion for efficiency; the establishment of import duties on a revenue basis, with such discrimination in favor of American imports as will prevent the cheaper goods of other nations from destroying American trade; a complete reform of local taxation on a just and scientific basis; the minting of abundant money for Philippine and Oriental use; the granting of franchises and concessions upon the theory of developing the resources of the archipelago; the formation of a system of public schools everywhere with compulsory attendance

rigidly enforced; the establishment of the English language throughout the islands, teaching it exclusively in the schools and using it, through interpreters, exclusively in the courts; a simple civil code and a still simpler criminal code, and both common to all the islands except Sulu, Mindanao and Paluan; American judges for all but the smallest offenses, gradual, slow and careful introduction of the best Filipinos into the working machinery of the government; no promise whatever of the franchise until the people have been prepared for it; all this backed by the necessary force to execute it; this outline of government, the situation demands as soon as tranquillity is established. Until then military government is advisable.

We cannot adopt the Dutch method in Java, nor the English method in the Malay states, because both of these systems rest on and operate through the existing governments of hereditary princes, with Dutch or English presidents as advisers. But in the Philippines there are no such hereditary rulers, no such established governments. There is no native machinery of administration except that of the villages. The people have been deprived of the advantages of hereditary native princes, and yet not instructed in any form of regular, just and orderly government.

Neither is a protectorate practicable. If a protectorate leaves the natives to their own methods more than would our direct administration of their government, it would permit the very evils which it is our duty to prevent. If, on the other hand, under a protectorate, we interfere to prevent those evils, we govern as much as if we directly administer the government, but without system or constructive purpose. In either alternative we incur the responsibility of directly governing them ourselves, without any of the benefits to us, to them or to the archipelago, which our direct administration of government throughout the islands would secure.

Even the elemental plan I have outlined will fail in the hands of any but ideal administrators. Spain did not utterly fail in devising—many of her plans were excellent; she failed in administering. Her officials, as a class, were corrupt, indolent, cruel, immoral. They were selected to please a faction in Spain, to placate members of the Cortes, to bribe those whom the government feared. They were seldom selected for their fitness. They were the spawn of government favor and government fear, and therefore of government iniquity.

The men we send to administer civilized government in the Philippines must be themselves the highest examples of our civilization. I use the word examples, for examples, they must be in that word's most absolute sense. They must be men of the world and of affairs, students of their fellow-men, not theorists nor dreamers. They must be brave men, physically as well as morally. They must be as incorruptible as honor, as stainless as purity, men whom no force can frighten, no influence coerce, no money buy. Such men come high even here in America. But they must be had. Better pure military occupation for years, than government by any other quality of administration.

*Better abandon this priceless possession, admit ourselves incompetent*

*to do our part in the world-redeeming work of our imperial race; better now haul down the flag of arduous deeds for civilization and run up the flag of reaction and decay than to apply academic notions of self-government to these children, or attempt their government by any but the most perfect administrators our country can produce. I assert that such administrators can be found.*

I repeat that our government and our administrators must be examples. You cannot teach the Filipino by precept. An object lesson is the only lesson he comprehends. He has no conception of pure, orderly, equal, impartial government, under equal laws, justly administered; because he has never seen such a government. He must be shown the simplest results of good government by actual example, in order that he may begin to understand its most elementary principles.

This was said after a most painstaking examination of the situation in nearly all of the larger islands, and after studious investigation of the experience of all other colonial governments. The seven years that have passed since then have confirmed me in these views. That we have the power under the constitution to govern in this way is no longer questioned. The words of the constitution

The congress shall have power to make all needful rules and regulations, respecting the territory belonging to the United States

confers this power. The decisions of the supreme court in the Insular Cases so declare; and finally we have actually exercised this power. The question of our power to govern exactly as we please "territory belonging to the United States," to use the exact words of the constitution, is no longer open.

In that same speech I also said:

*It would be better to abandon this combined garden and Gibraltar of the Pacific, and count our blood and treasure already spent a profitable loss, than to apply any academic arrangement of self-government to these children. They are not capable of self-government. How could they be? They are not of a self-governing race. They are Orientals, Malays, instructed by Spaniards in the latter's worst estate.*

And I say the same thing now. But if these errors, if errors they prove to be, are committed, events alone can correct them, and events will correct them. We will never abandon our opportunity and duty at the gates of the Orient.



But we need not make further mistakes. The keynote of our practical policy from now on should be the development of industrial conditions. It is a fact upon which every student of colonial government is agreed that a people's economic welfare and industrial and financial independence is the bedrock upon which all progress toward self-government must be builded. In our passion for school-house education we have neglected this great truth. The Filipinos, like all backward peoples, need to be taught orderly, continuous labor before everything else. Even as a preparation for self-government they need good roads more than they need school-houses—since it is an historic truism that political progress is based on industrial progress. They need easy and convenient highways over which to communicate with one another, and get the products of their toil to market. They need to be taught the practical benefits of law and order. More money hereafter should be spent on roads and harbors and instruction in modern methods of industry than in an education which unfits so backward a people for actual labor in fields and shops, and equips them only with ambition and ability to be nothing more than mediocre clerks in cities.

The report of the Secretary of Commerce and Police of the Philippine Commission for 1905 says:

It is regrettable that since the American occupation the roads have been gradually falling into disrepair. This is due, it is believed, to the fact that the municipalities have not yet awakened to the responsibility which attaches to them of the maintenance of the roads within their own jurisdiction. Under the American idea of government the maintenance of roads is primarily a municipal affair, varied by a few county and state roads and almost no national roads. In the Philippines these duties have lain with the presidents of the towns, but it is only fair to say that the municipal and provincial receipts applicable to the maintenance of public ways have not been sufficient to maintain good roads, and in fact are very much under the amount necessary to rebuild roads in bad condition, much less to construct new ones.

Of course the application of the American township idea of road construction to a country like the Philippines and a people like the Filipinos, is absurd. It would be comic if it were not serious.

The Philippine Commission most properly recommends an

eniargement of the amount of land which any one man or corporation may hold to at least twenty-five thousand acres of land. This is absolutely right and is the minimum—fifty thousand acres would be far better. As it is now, no man or corporation can hold or operate more than five thousand acres of land. This and other like evils of the land laws which we have provided for the Philippines were the result of "practical politics," on the one hand, and abstract theory, on the other hand. More than anything else, the Philippines and every similar country need capital and labor. It is impossible for capital to operate small bodies of land profitably in such a country, and therefore capital has refused to invest in the Philippines.

*Philippine products must be admitted to this country free of duty.* The commission has urged this in every report and Mr. Taft has never ceased demanding it. President Roosevelt has repeatedly asked congress to do this act of simple justice and common sense. We have not done it because the beet sugar interests in two or three states, and tobacco interests in two or three other states have been powerful enough to prevent it. They have prevented it because of a fear that Philippine sugar and tobacco might some time in the distant future hurt their business, for we now import much the larger part of our sugar and tobacco, and of course, if we import them in any event, it is clear that the sugar and tobacco interests cannot be injured at the present time by the free admission of Philippine sugar and tobacco.

Thus the mere fear of some remote future injury was used by politicians, who wished to show their sugar and tobacco constituents that they were "protecting" them, to prevent an act of great national statesmanship and pressing national justice. If our markets were open for Philippine products, we would be buying from our dependencies a part of what we are now buying from foreign countries. The prosperity of our wards would enable them to increase their purchases in all American markets many hundred-fold and their gratitude for this justice would create a spirit in the islands that would be more helpful to our administration of government there than regiments and batteries. All of our dependencies should be thoroughly fortified. Future historians will find it difficult to explain why we, the richest and most practical people, failed to

secure our own possessions against possible attack. It would be done, of course, but for the exigencies of partisan politics which seeks to find an "issue" in every possible direction and which does not hesitate to sacrifice great national interests to immediate party success.

We must look upon these matters in a broad, rational, practical way. Already we have begun to do this. Our provision for the building of railroads in the Philippines is a splendid example of the spirit and purpose which must hereafter control in our colonial statesmanship. An even greater one is the law passed last session providing for a Philippine Agricultural Bank, modeled after the Egyptian Agricultural Bank. The most fascinating page of financial history is that of the career of the Agricultural Bank of Egypt. What it has done for the farming people of that ancient land is almost beyond belief. The Philippine Agricultural Bank will do the same thing for the Philippine farmer.

These two sane measures mark a return to that real statesmanship which was illustrated by Wood's work in Cuba, and Taft's work, when unhindered, in the Philippines. Better still, they illustrate the beginning of a new kind of public man in American public life.

After all, the success of our colonial policy depends upon a new kind of American public man. The time has come when the office of senator or congressman must be filled by informed, courageous, upright and trained legislators who study and solve, with a broad national wisdom, the big problems now increasingly confronting us. The senator or congressman who spends his time distributing patronage, fixing up postoffice deals, arranging political combinations, all for the purpose of his own official perpetuation must go out of American public life. Most men who were raised under the old methods of American politics, whether those men be young in years or aged, and no matter how ably they served in bygone days, are useless in solving these new problems. If such men are old they look upon all new problems which had not appeared when they were in their prime, as no problems at all, and consider them with impatience or refuse to consider them entirely. If such men are still young in years, they have not been trained to careful study or any study of real problems, have not been accus-



tomed to thinking out public questions from the viewpoint of the nation, but only from the viewpoint of the effect which their position upon those questions will have upon their own careers.

The kind of American public man who is now beginning to dominate American affairs is the exact reverse of this. The American public man of the future will be a student of national affairs and of world affairs and will have the student's patience. He will be as practical as a business man and have the business man's gift for the concrete. He will be unselfishly conscientious, never fearing or even considering what the effect his stand upon any public question may have upon his own political career, but considering only the effect which his solution of that question will have upon the Republic and the world. This means of course that the American public man from this day must be not only able and learned, but also as fearless as conscience and as pure as he is fearless. As fast as this quality in public men replaces ignorance, selfishness and narrow views, our colonial policy will develop evenly and wisely and America's work in uplifting the people who have been given into our keeping will be increasingly successful.

SOME DIFFICULTIES IN COLONIAL GOVERNMENT  
ENCOUNTERED BY GREAT BRITAIN AND  
HOW THEY HAVE BEEN MET

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BY THE RIGHT HONORABLE JAMES BRYCE,  
Ambassador from Great Britain to the United States.

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*Ladies and Gentlemen:* I thank you very much for the cordial reception you have been kind enough to give me. I also thank Mr. Smith for the very friendly words which he has been good enough to say regarding me.

I deem it a great honor to be asked to speak to you, but I also feel, on this occasion, no small measure of distrust and timidity because, in the first place, I did not come prepared to address such a meeting as this. This hall reminds me of one of our great meetings in England on the eve of a general election. When I was invited to offer some introductory remarks on the subject of colonial policy, I imagined to myself a small room, with about twenty-five to thirty gentlemen, mostly elderly gentlemen, and mostly with spectacles, ex-officials and professors in the college, and I thought that we were going to have a little quiet discussion about colonial administration, which I was expected to introduce by saying a few words. I assure you that, although I feel honored by seeing such an audience as this, I am sorry that I have brought nothing worthy of so large a gathering, and when I give you the few trite remarks I have to make, you will understand that I put them together in my own mind for an audience very different from this.

I have another reason for being a little unquiet. I have read a headline in regard to some remarks I offered yesterday at a dinner, suggesting that I expressed doubts whether the Declaration of Independence was a wise act. Ladies and gentlemen—heaven forbid that I should express a doubt or any opinion at all, on that subject! I cannot conceive any question less profitable to discuss at this present day. What I did do was to invite the guests at that dinner to follow me into a speculation as to what would have happened if the Declaration had not been signed, also a speculative question, but possessing some interest.

Now, ladies and gentlemen, when I come to this subject which brings us together this evening, let me first say that I have no right whatever to offer any opinion upon American policy. I am not here to do anything of that kind. I am only here at the request of the directors of this learned body to kick the ball off by making a few remarks on the colonial experience which we in Great Britain have had. We have now had a pretty long experience. It began, curiously enough, three hundred years ago this year—it began with the settlement of Jamestown in Virginia. Well, part of that earlier experience of ours was not altogether fortunate. I am not going to go into painful details of the mistakes which were made, and the results which followed those mistakes. I will only ask you to believe that certain events which happened at this time led us to believe that we were capable of sometimes erring in our colonial policy. Like sensible men, we drew upon our experience, and when we had a new set of colonies we began upon new and better principles.

Our colonies are now in two classes, those called the self-governing and those called the Crown colonies. The self-governing colonies are those which contain a European population which allows of self-government. We have two groups—the North American group, the Australian group (which consists of the states of the Commonwealth of Australia), the detached colony of New Zealand, the detached colony of Newfoundland, and the South African group, not federated, consisting of Cape Colony and the Transvaal (to which it is proposed to add the Orange River territory). These are all democratic states. We have given every one a legislature. That legislature has complete power of passing statutes which govern the colonies. Each has a responsible government, consisting of a body of ministers who hold office at the pleasure of the legislature, according to what we call the responsible cabinet system, and by whom the government is conducted. The governor is sent by the Crown, but he is only a formal representative of the Crown, and the responsibility rests with the responsible minister who works with the legislature. We allow the most complete freedom to these colonial legislatures. Although we retain, in theory, the power of vetoing their legislation, in practice we scarcely ever do so, and when we do, it is only in those extremely

few cases in which some law passed by the colony may conflict with the interests of some other part of the British empire, or where it would conflict with some international obligation undertaken by treaty. In all such cases, of course, we could not allow the single colony to break an obligation incurred on behalf of the whole empire by the general imperial parliament. We find this system of self-governing colonies to work, on the whole, very smoothly indeed.

The colonies pass the legislation which they find best for their local condition. They do not interfere with us and we do not interfere with them. In practice, very little friction occurs, and we attribute the success of this system to the completeness with which we have carried out our principle of allowing the local legislature to manage all the local concerns. We have gone so far in our belief in the value of self-government, that in the last few months we have given a local legislature and a local responsible ministry to the Transvaal, which was at war with Great Britain only a few years ago, and the prime minister of that colony has now come to England with the prime ministers of the other colonies, in order to deliberate there with the London colonial office upon affairs relating to the general welfare of the British empire.

It is suggested that in some respects we might make a more close connection with the colonies. It has been suggested that there might be a council which would make arrangements for the common imperial defense by land and sea, and for contributions for that purpose. Those are questions which we are considering in conjunction with the colonies, but it is no part of our intention to press any such scheme as that upon the colonies. Whatever is done must be done by and with the free consent and approval of the colonies. It is a great proof of the value of the principles of liberty and local self-government, to which we in England and to which the British population of the whole empire attach so much importance, that under this system the colonies have become more and more attached to the mother country, and the mother country has become more and more interested in the colonies. There never was a time when all the British colonies were more devoted in heart and mind to the interests of the whole British people, and

when we had stronger prospects that these sentiments of affection would continue to unite these scattered lands.

The other set of colonies consists of those which we call Crown colonies. They exist in countries where the natives, not of European origin, form the bulk of the population, and where we deem that this native population is not qualified by its racial characteristics and by its state of education and enlightenment to work self-governing institutions. The largest instance—we do not call it a colony, but its government is practically government of that character—is the Empire of India, with hundreds of millions of people, which is administered as a great separate dependency. In addition we have a large number of other colonies scattered over the world, some in West Africa, in South Africa, and in East Africa; some in the Indian Archipelago, some in the West Indies, some in the Pacific Ocean, and some in the Indian Ocean. It would take too long to name them all. The distinctive feature of nearly all these colonies (I do not say of all, for there are few exceptions) is that in them the great majority of the population is not deemed to be fit to govern itself by a legislature and a responsible ministry. These colonies are governed in different ways. Some of them have a council composed partly of elected, partly of nominated, members; some have a council entirely composed of nominated members; some have a smaller council, in which there are a few nominees, who along with the executive officers surround the governor. The arrangements are in each case made with regard to the proportion of persons inhabiting the colony who are of European birth, or with regard to the number of well-educated natives who are fit to be trusted with the election of members to the council. Where there is such a population the council is largely elective. Where there is not, the council is nominated. We believe these councils valuable because they furnish an organ through which local opinion is able to express itself; but still it is generally true that the governing power in these Crown colonies rests with the governor, and he himself is under the orders of the Colonial Office, and the Colonial Office is responsible to the British Parliament, so that if any grievance arises in the colony which the governor on the spot does not redress, it is open to the person who considers himself aggrieved to forward a memorial to



the Colonial Office, which will investigate it, and if the Colonial Office does not give to the aggrieved person what he considers to be satisfaction, then he can communicate with some member of the House of Commons, and get the question raised there. Accordingly, the fact that the governor exercises wide power in these colonies does not make him irresponsible, or deprive a colonial subject of liberties, because he has the power at any time to make complaint to the Colonial Office or to Parliament.

The principles which we have applied in the government of these colonies can be stated to you only in the briefest way. It would take much too long to explain them fully in so large a meeting as this. I will, however, enumerate some of the most important. One of these principles is that we give to every British subject, wherever he lives, whatever his education, or color, or religion—we give him absolutely equal civil rights. (Applause.) He is just as much under the protection of the law as a native-born Englishman in England. He has the same right to go into the courts and insist on any claim he makes being heard. He has the right of *habeas corpus*, and all the other civil rights guaranteed by our constitution. Those are given to every subject of the Crown. It is an interesting fact that any British subject can be placed by the Crown in any post of the public service. Any native of India may be elected to the House of Commons, and might be sent by the Crown to the House of Lords. We have had two instances of natives of India elected as members of the House of Commons by London constituencies. They sat there and took part in debates just the same as any other members. You know that with us a man may be elected to a seat in the House of Commons entirely irrespective of the place where he lives. A Hindoo from Patna, a Dyak from the jungles of Borneo might be elected to sit in the House of Commons. The large majority of members do not live in the constituencies they represent. Imagine any native of India with exceptional intellectual powers—suppose him to come to England and be elected to the House of Commons, and suppose him to distinguish himself there, and to become the leader of one of the great English parties—he might legally become Prime Minister of England, and thus the most important subject in the British Empire. So far as the law

goes, we debar no one, no matter what his race or religion, from the highest post to which his talents can raise him.

We, also, ladies and gentlemen, make no difference in any of our colonies as regards religion. At one time some little pressure was exerted to favor Christianity, but such a line of policy was abandoned. It was perceived that it is not by force that Christianity ought to be spread, and it was felt to be a breach of the principle of absolute religious equality. To bring pressure to bear on the part of the government in its support would not really benefit religion. Accordingly, we observe a strict religious neutrality, and do not interfere in any way with the exercise of any native religion, so long as the practices of that religion are not inconsistent with humanity and the fundamental principles of morality. Of course, when that is the case it becomes necessary to interfere. In India, for instance, there was a custom that the Hindoo widow should burn herself upon the funeral pyre of her husband. This was very common and though not absolutely dictated by the doctrine, it was considered a highly meritorious act, and the English, when they first went to India, were usually told that the widows themselves liked it. That argument, however, did not prevent our putting an end to it, and this practice of suttee has been entirely forbidden in India. We do not even allow it in any of the states under our protection, and the enlightened intelligence of the Hindoos has long approved of its being stopped.

We have also preserved everywhere the native laws. Of course, we enforce no native law or custom obviously opposed to reason and justice, but otherwise we uphold and maintain the native system. It is deemed to be only fair to the natives that they should be allowed to observe the legal customs they prefer, so the Hindoo and the Mohammedan laws of inheritance are allowed to subsist, and you have the spectacle of the British Privy Council, which is the Supreme Court of Appeal for India and the Colonies, hearing and deciding questions upon Hindoo and Mohammedan law, in which the sentences of the Koran and the dicta contained in the Institutes of Manu are cited to an English court. The practice of recognizing the native customs and usages in the colonies and in India has been found to give contentment and satisfaction, and I think has been justified by its results.

One of the chief difficulties which English administrators have experienced has been the protection of the natives. When a European goes out as a trader he is liable to be tempted, abusing his superior strength and intelligence, to deal harshly or unfairly with the natives, and, therefore, it is held to be a primary duty of all colonial officials to give all protection and security to the natives. Everyone who represents the British government is bound to see that the rights of natives are scrupulously safeguarded, and that nothing is done to injure them or wound their feelings. That is sometimes pretty hard to secure, because sometimes when a European, though not naturally an unkindly man, finds himself in the midst of a weaker population, he is likely to take advantage of his strength, but we have regarded it as our duty, since Providence has placed us in control of these nations, to see that the natives are justly treated.

We levy no tribute upon the colonies. Their revenues are applied entirely to the support of the colonial administration and public works. It is a long time since any income was received from India.

People enter the colonial service by examination as to fitness. No one is appointed or dismissed on political grounds. (Applause.) Promotion in the service itself is given upon the ground of ability and proved diligence in the discharge of duty. The only exceptions to that rule are to be found in some of the higher posts. The Governor-General of India and the Governors of Madras and Bombay are selected from home, and very often eminent men who have distinguished themselves in home politics are appointed to these posts. Sometimes, to very important posts, such as the governorship of Australia, someone is sent out from home who is not part of the colonial service, but those are the exceptions. On the whole, we get a very good class of men. Of course, in the Crown colonies and India the great bulk of the administration is carried on by the natives. Only the highest posts are reserved for Europeans.

I think I have now enumerated the main principles by which our colonial policy is governed. It remains only to say that although we do encounter difficulties; although, of course, the conditions of race which exist do sometimes give rise to disturbances



and troubles (we sometimes find it pretty hard to keep peace between Hindoos and Musselmans); though difficulties of this kind must continually occur where we have to deal with half-civilized or savage populations, still, on the whole, under this system, the outlines of which I have endeavored to draw, the prosperity of most of the Crown colonies and the tranquillity of all has been steadily increasing. Order has been established, and to-day the law is obeyed and tranquillity reigns in most of these colonies, even where the inhabitants are uncivilized. I remember with how much astonishment I found, in traveling through India, that I was able to go alone, unaccompanied by any European, through forests, over mountains, and along the borders of independent states, absolutely unguarded. When, on starting, I asked a friend whether it was necessary to take firearms with me, I was told that it was unnecessary, that the prestige of the British name would carry me safely through any journey, however long the journey, which I might take, and however wild the country. That is the best testimony to the perfect order which has been established in India. The same is true of nearly all of the Crown colonies. When, from time to time, a disturbance arises, the system of police we have established is so efficient that we can quickly suppress a riot or sedition. The government has done its best to develop the resources of the colonies, to spread education, and to accustom the native peoples to the habits of civilization. Civilization has no doubt two sides, and there are, unfortunately, certain evils which accompany the benefits civilization carries with it. That, I fear, it is impossible to avoid entirely, but, still, when we look at the general results, we are able, after the century and a half during which we have been holding these countries and endeavoring to administer them, to feel that great steps forward have been taken, and that the condition of the subject races is, on the whole, far better now, and contains far more of promise for the future than it has at any previous period of our history.



PART TWO

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*Industrial and Financial Problems in  
the Dependencies of the  
United States*

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BANKING, CURRENCY AND FINANCE IN THE  
PHILIPPINE ISLANDS

**BY HONORABLE HENRY C. IDE,**  
EX-GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS.

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THE AGRICULTURAL BANK FOR THE PHILIPPINE ISLANDS

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THE PHILIPPINE POSTAL SAVINGS BANK

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RAILROADS IN THE PHILIPPINE ISLANDS

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## BANKING, CURRENCY AND FINANCE IN THE PHILIPPINE ISLANDS

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When the United States government forces first occupied Manila, in August, 1898, and before that time, under the Spanish régime, the banking facilities of the islands were all furnished by three banks, the Hongkong and Shanghai Banking Corporation, the Chartered Bank of India, Australia and China, and El Banco Espanol-Filipino, the two former being English corporations of large resources, having branches in nearly all the important cities in the Orient, and the latter an institution incorporated under the laws of the Philippines and by special grant from the crown of Spain, and owned largely by the Catholic church authorities. The paid-in capital of the Hongkong and Shanghai Banking Corporation is ten million dollars (Hongkong or British dollars, of the value of approximately fifty cents more or less, varying with the price of silver) and a reserve or surplus of ten million more. The Chartered Bank of India, Australia and China has a paid-up capital of £800,000, and a surplus of £975,000. The Spanish-Filipino Bank, or Banco Espanol-Filipino, has a paid-up capital of 1,500,000 pesos, or \$750,000 of our money. These banks had branches at Iloilo and Cebu in the southern islands. There were no other banks in existence in any part of the islands to supply the needs of the eight million inhabitants, unless the Monte de Piedad be so-called, an institution founded largely for the charitable purpose of making small loans to poor people at low rates of interest, secured by the pledge of jewelry, household articles and apparel delivered into the possession of the institution, or, to a small extent, by real estate mortgages. This institution is still in existence, and is performing a most useful function. Its loans amount, on an average, to about 900,000 pesos. It has been conducted in a conservative manner and its losses have been few. It is mainly under the control of the Catholic church authorities,



as was practically all charitable, benevolent and educational work under the old régime, when church and state were united.

As long as the currency of the country consisted almost wholly of silver coins, as was the case until 1904, as will be hereinafter stated, a very considerable portion of the earnings of the banks came from exchange in the narrow sense of buying and selling silver coins, the prices varying with the condition of the market from day to day. The principal earnings, however, arose largely from exchange in the broader sense, that is, in the buying and selling exchange on the foreign markets of the world, and through them were financed largely the payments for all commodities imported into and exported from the islands.

Neither of the English banks was chartered by the government of the islands or by the crown of Spain, but did business in the islands by permission, and of course had no power to issue circulating notes or paper money. The Spanish-Filipino bank, however, had by its charter power to issue circulating notes to the amount of three times its paid-up capital, without security other than that of the assets of the bank; but very rigid government supervision was provided for in its charter, the governor-general having most important powers of intervention in, and control over, the management, and of dictation of its policy. The government had the right to borrow money from it to large amounts at low rates of interest. It was, in a large sense, a government institution, although the shares were owned by private individuals or by church authorities. The Spanish law, incorporated in the charter of this bank, gave to it the exclusive right of issuing paper money. That special privilege expires on the first day of January, 1928.

On August 31, 1900, the amount of banknotes issued by it under its charter, and outstanding, was 2,750,750 pesos. It was the opinion of the Philippine Commission that this was an excessive amount of paper money to be issued without special security, by an institution having but 1,500,000 pesos paid-up capital, and the bank officials were urged to reduce their circulation to the amount of their paid-up capital. On October 15, 1901, the circulation had been reduced to substantially 2,100,000 pesos. A new internal revenue law came into force in the Philippine Islands on the first day of August, 1904, which imposed a tax of one-twelfth of one per cent per month on the

average amount of circulation issued by any bank, and an additional tax of one per cent per month upon the average amount of such circulation issued beyond the amount of the paid-in capital of the bank. The effect of this taxation was to impose upon the privilege of circulation which the Spanish-Filipino Bank had, the moderate tax of one per cent per year, except as to such proportion thereof as should be in excess of the paid-up capital, and upon that excess a practically prohibitory tax of one per cent a month. The authority to impose such practically prohibitory taxation seems clearly to have been established by decisions of the United States Supreme Court, wherein similar burdensome taxation imposed by congress upon all note circulation issued by other than national banks resulted in the complete elimination of all the circulating notes that theretofore had been issued by banks chartered under the authority of the several states. The Spanish-Filipino Bank has contended, and still contends that this legislation impaired its charter rights, and was practically a confiscation of a valuable privilege; but the legislation seems to have been enacted in the interests of safe banking, and to have been abundantly justified by the decisions of the Supreme Court of the United States. The question at issue has not been brought to any legal determination in the courts of the Philippine Islands.

It is very manifest that neither a million and a half, nor four million and a half pesos, which the Spanish-Filipino Bank claims the right to issue, would furnish any adequate circulating medium for a population of nearly 8,000,000 people. A considerable measure of relief has been obtained by the issue of silver certificates by the insular government, based upon silver pesos deposited in the treasury to the full amount of the certificates issued. These certificates have now been issued, and are in circulation to the extent of 16,015,708 pesos, as will be hereinafter stated in connection with the subject of currency. The Spanish-Filipino Bank also claims that the issue of these silver certificates is a violation of its exclusive charter rights to issue circulating paper money in the islands; but the insular government acted upon the theory that, while the charter of the Spanish-Filipino Bank is to be respected under the Treaty of Paris, and its right to exist as an entity could not be denied or destroyed, yet that a function pertaining so nearly to the fundamental powers

of the government as the furnishing of a circulating medium for the inhabitants could not be deemed to have been protected or denied to the new sovereignty by the Treaty of Paris, nor could the United States government be deemed obliged to leave the people over whom it had assumed sovereignty without an adequate circulating medium in the form of paper money. The certificates, however, were not made legal tender, and probably are neither money nor circulating notes in the strict sense of those terms, although practically they perform the functions of money. This question has been the subject of much discussion between the bank authorities and the insular government, and is in process of adjustment by way of negotiation and compromise.

Subsequent to American occupancy two large American institutions opened branches in Manila, the Guaranty Trust Company of New York, and the International Banking Corporation, chartered under the laws of the State of Connecticut. These two institutions had not only to compete with one another, but also with the well-established institutions above referred to, who had an extensive clientele and a thorough knowledge of the methods of Oriental banking. It was subsequently deemed advisable by the managers of the Guaranty Trust Company to withdraw from the islands and transfer its business there to the International Banking Corporation, which was done, and the latter is now the only large American bank doing business there. It has obtained a large patronage, and at least its fair share of the current business.

One small bank called "The American Bank," was established in Manila after the American occupancy, but the capital was very small and it soon came to grief. Its cashier has been prosecuted for embezzling a large portion of its assets. A small bank in one of the provinces was also established by Americans and Filipinos, but it also soon came to grief and went into liquidation, but the depositors were paid in full.

None of the banks doing business in the Philippine Islands, aside from the Spanish-Filipino Bank, make loans upon real estate. That class of business will doubtless be done by agricultural banks authorized to be established by a recent act of congress. The existing banks pay interest on fixed deposits, the highest rate being four per cent on deposits that cannot be withdrawn for a year,

and lower rates for shorter periods. These institutions, having offices in but three cities of the islands, afford but little facility for security of savings. This want will doubtless be supplied by the operations of the postal savings bank law, which has been recently enacted.

Banks with small capital cannot hope to compete successfully in the business of foreign exchange. The shipment of native products and the importation of foreign commodities are upon a large scale, and dealers must solicit the aid of capital in large amounts. The large bank, moreover, has advantages in the character of its management, the greater experience of its officers, and in the power to command the aid of other great banking institutions of the world. It is possible that small banks in the interior might meet local needs and be useful to the communities in which they should be located, but the great mass of the people are poor, and can furnish but little to such banks in the way of deposits, and the basis of credits is so uncertain that capital has not sought this field. But with the introduction of the new railroads now in the process of construction, and the general revival of business which is slowly, but actually, progressing, there will probably be a greater demand for capital and banking facilities than the existing institutions can supply.

The magnitude of the banking business done in the islands can, in part, be judged from the following tabulations:

Deposits in the several banks on the 31st of December, 1906, including their branches, were as follows:

	<i>Pesos.</i>
Chartered Bank of India, Australia and China.....	3,473,372.07
Hongkong and Shanghai Banking Corporation.....	4,770,418.05
International Banking Corporation.....	3,570,494.60
Banco Espanol-Filipino.....	2,345,573.38
Total .....	14,159,858.10

The loans, discounts and overdrafts of the same banks on the same date were as follows:

	<i>Pesos.</i>
Chartered Bank of India, Australia and China.....	1,869,543.57
Hongkong and Shanghai Banking Corporation.....	6,862,613.48
International Banking Corporation.....	3,119,225.89
Banco Espanol-Filipino.....	3,420,223.40
Total .....	15,271,606.34

The national bank laws of the United States have not been extended to the Philippine Islands, so that it is not now possible there to establish United States national banks.

The currency problem was a most difficult one. Aside from the small amount of paper money issued by the Spanish-Filipino Bank, and a limited amount of United States currency which was in circulation, the money of the country in 1900 consisted of Mexican pesos or dollars, Spanish-Filipino pesos, subsidiary silver fractional Spanish, and Spanish-Filipino, Japanese, Chinese and other foreign coins, and a most insufficient supply of minor coins of copper and other metals. The handling of money of this character was in itself a great handicap upon commerce. The monthly salary of the governor-general weighed as much as a barrel of flour. The transportation of immense boxes of coin to remote parts of the islands for the purchase of commodities by exporting houses, or for the payment of salaries of officials and employees, was attended with great risk, not only from robbers and thieves, but from transportation on small boats, in crossing streams and in landing from vessels. The fluctuations in value were constant and attended with great pecuniary hazard, particularly when silver was falling in price. Wholesalers sold their goods mainly upon credit, necessarily payable in local currency. Before payments became due the fall in the price of silver was liable to be sufficient to wipe out a profit of 25 per cent or more. At times during the American occupancy an American dollar would purchase less than two dollars of local currency, while at other times it would purchase \$2.66, and between these two extremes the shifting was uncertain but ever present. The problem might have been solved by making United States currency the only money of the country; but experience shows that such a change in a primitive country has always been attended by a great rise in the price of commodities and labor. The natives are quite sure to demand, if they are to receive American money, as many dollars for their commodities or labor as they had before received of Mexican dollars, the two being of nearly the same size and intrinsic value. Besides that, native transactions are, many of them, on so small a scale that a currency based more nearly on the intrinsic value of silver than on an artificial or token value is better suited to their wants. The plan finally determined upon was the coinage



of a new currency with a gold standard, so that the value of the coins in commerce should be entirely independent of the intrinsic value of the silver contained therein. The standard or unit was made a gold coin of the value of fifty cents, United States currency, called a peso. The coinage consisted of silver coins of that value and denomination, and convenient subsidiary coins of the same proportionate weight and fineness as the pesos, and minor coins of baser metals. A gold standard fund was provided to maintain the parity between the new currency and gold. This fund consisted of the seigniorage resulting from the recoinage of old coins or silver purchased and coined, and from profits resulting from the sale of exchange in Manila on New York, or in New York on Manila, out of the gold standard fund, and of money borrowed on one-year certificates for the purpose of obtaining funds to purchase the needed silver. These certificates bore interest at four per cent and were issued to the amount of 6,000,000 dollars in all. As each series of certificates matured it was paid off and a new series issued, if necessary. The amount outstanding now is 1,000,000 dollars, which will undoubtedly be paid off at maturity on September 1, 1907, without the issuance of a new series. These certificates were given great advantages by way of exemption from taxation in the United States and the Philippines, and by being made available as security for United States deposits in national banks, and consequently were sold at such premiums, and the proceeds of their sale were deposited at such rates of interest, that the money borrowed upon them cost the insular government nothing, but was an absolute source of profit.

The parity between the silver peso and the gold peso was maintained, and the currency kept equal in volume to the demands of trade, by special provisions. First, the sale of drafts on that portion of the gold standard fund deposited in the United States at a premium of three-fourths of one per cent for demand drafts and  $1\frac{1}{8}$  per cent for telegraphic transfers, and by like sales in the United States on the insular treasury at Manila, the premium charged being subject to temporary increase or decrease, as conditions might require. Second, by the exchange at par of United States currency for Philippine currency and the reverse. Third, by the exchange of Philippine currency for United States gold

coin or gold bars with a charge only sufficient to cover the expenses of transporting gold coin from New York to Manila. Fourth, by the temporary withdrawal from circulation of Philippine currency exchanged and deposited in the treasury. Fifth, by the temporary withdrawal of United States paper currency, gold coin and gold bars received at the insular treasury in exchange for insular currency, until the same should be called out in response to the presentation of Philippine currency, or until an insufficiency of Philippine currency should make necessary an increased coinage. This system of maintenance of the gold standard and of the parity might require large shipments of money from Manila to New York, or the reverse, according to the demands for exchange. This difficulty, however, was obviated by an arrangement with the treasury of the United States, such that the actual transfer of money has in most cases been avoided. The Treasurer of the United States necessarily disburses large sums in the islands for the payment of expenses incident to the maintenance of the United States army there. In case the insular funds in New York need replenishment by reason of an excess of exchange sold against them, the Treasurer of the United States, upon request, deposits in New York, to the credit of the insular treasury, the million dollars, more or less, that may be needed to maintain a sufficient sum in the New York depository, and the insular treasury, which is a United States depository in the Philippines, at the same time passes to the credit of the United States government at Manila the million dollars, more or less, that it has received in New York to its credit. Most of the disbursements of army paymasters in the Philippines are made in Philippine currency, the United States currency standing to the credit of army disbursing officers there being actually paid to them in Philippine currency at the ratio of two for one. This system, with practically no expense, has given to the islands an absolutely uniform and stable currency based upon the gold standard, has put an end to the gambling in silver, before so universally prevalent, and has placed business, governmental and commercial, upon a substantial basis.

The elimination of the old currency presented a specially difficult problem. It permeated the most remote portions of the archipelago, and some means must be devised to get rid of it. This was es-

pecially difficult with a falling market price of silver, because it was much more profitable to pay for commodities and labor in the cheap currency than in the dearer one. The large sums that were required to be sent out of the islands for a time in payment for rice imported, aided the process of elimination, as immense amounts of Mexican pesos were sent out of the country for this purpose, the return coming in the form of rice. The Mexican pesos had a perfectly good market at Hongkong and all along the coast of China, and there was no hardship in driving them out of the country. The Spanish-Filipino pesos and minor coins, of which there were about 16,000,000 pesos in circulation, were more difficult to deal with. They had no market in China, and contained from ten to twelve per cent less silver in value than the Mexican pesos. They had circulated side by side on a parity with the Mexicans, and it was deemed unjust to deal with them on any different basis. The government therefore redeemed them both for a considerable time at ratios based substantially upon the intrinsic value of the Mexican dollar. It gave notice that after a fixed date the Mexican dollars would no longer be receivable by the government, nor after a certain date would the Spanish-Filipino coins be so receivable. Ample time was given for everyone to shape himself to meet the contingencies, but it became apparent that the temptation to pay for all commodities and labor in the cheap currency was such that stringent measures would be necessary to eliminate the old. The theory of the legislation that was enacted to accomplish that result was that the use of the old currency must be made so unprofitable that it could no longer continue to serve as coin in the islands. Its life must be made a burden. Taxation was imposed upon deposits of the old currency so heavy as to compel all the banks to co-operate in its elimination. Heavy license fees were imposed upon all who wished to deal in the old currency for any purpose, except exporting or gathering it in for sale to the government. The result was that the natives refused to take the old currency on any terms, and it took its natural course of export in the case of the Mexicans and payment into the treasury in the case of the Spanish-Filipino coins. Very little hardship resulted; the whole process was completed within about a year and a half, but by such gradual steps that business adjusted itself to the new conditions without difficulty.

One feature of the new currency system was the issuance of silver certificates by the treasurer, for Philippine pesos deposited in the treasury. These certificates are of denominations of 2, 5, 10, 20, 50, 100 and 500 pesos. They have proven to be very popular, and have gone into every part of the archipelago, constantly increasing in amount from month to month so that on February 28, 1907, there were in circulation 16,015,708 pesos of such certificates. The total amount of new coinage is 33,745,501.80 pesos. It should be added that during the past two years the rise in the price of silver has been such that the Philippine peso has become worth for bullion or for export more than its face value. It is undoubtedly true that the peso, as originally coined, did not allow a sufficient margin by way of seigniorage to be safe in the face of a long-continued rise in the value of silver. Congress has authorized a recoinage on a basis such that the new peso will contain a materially less amount of silver and a greater one of alloy than the old. The rise in value of the silver involved in the Philippine coins has been such that the government will derive a profit of six million dollars, gold, more or less, from the recoinage. The process of recoinage is now going on.

This paper is already of such a length that the financial conditions of the Philippine government must be dealt with most briefly. From the beginning of the American occupancy the insular government has been self-sustaining. This statement, of course, does not include the expenses of the government of the United States in maintaining its army and navy, portions of which have been stationed in the Philippine Islands and in Philippine waters. The support of every department of the insular government, including the maintenance of schools, scientific institutions, the construction of roads, bridges and public buildings, the preservation of good order by means of a constabulary force of five or six thousand men, and of all other activities of the government, has been met from insular revenues. At the close of the fiscal year 1906 there were in the treasury \$1,286,134.19 gold, available for appropriation after all the obligations and expenses of the year had been met. The fiscal year 1907 will probably show an additional surplus from its operations of \$1,500,000.

The bonded indebtedness of the government, aside from the

certificates of indebtedness relating to the gold standard fund, which will be paid off, as above stated, out of the gold standard fund, on the first of next September, consists of \$7,000,000 in bonds issued to purchase friar lands, to settle agrarian disputes, and \$3,500,000 public improvement bonds. The friar lands bonds have the lands and their income which were purchased with the proceeds as a trust fund for their payment. All of the bonds above mentioned (made payable in 30 years, but redeemable in 10) bear four per cent interest. They were sold on such favorable terms, and under such conditions that the money was obtained nearly upon a three per cent basis. They will be treated as ten-year bonds, which is the proper method, and will, at the expiration of that period, be paid from the sinking funds and by the issue of new bonds. The credit of the islands is of the highest. It is believed that no bonds, aside from those of the United States government itself, have been sold in the last few years on more favorable terms than those of the Philippine Islands.



## THE AGRICULTURAL BANK FOR THE PHILIPPINE ISLANDS

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It has been said that I am to speak on the agricultural bank in the Philippines. I think the title would have been more accurately stated if it had been given as the agricultural loan bank, because it is not the intention, as you will see in a moment or two, to make the agricultural loan the basis in any way of the currency system in the islands, as was the plan in the early days in New England. The legislation in regard to this bank is simply to provide an institution which shall furnish loans to the farmers, principally the small farmers, on the security of their lands, crops, and possibly, at times, of their farm animals.

It is worth while to note briefly some of the reasons why it is desirable to establish the agricultural bank at this time. In the first place the Filipinos want the bank. We have thought it desirable to do what we could to satisfy first the real needs, and beyond that the rational wants of the Filipinos. There can be no doubt that there is no other single favor which the Filipinos, in all parts of the island, have so constantly asked for from the Philippine Commission and from our government here, as the establishment of an agricultural bank. In a good many cases, I think, the native Filipinos who have asked for the bank have felt the want rather than the need, because they did not exactly understand what they were asking for. I do not doubt that a number of the more ignorant ones have felt that if the government would establish an agricultural bank, they might go to it as an unlimited source of supply for money whenever desired, and some of them have thought that it would not be necessary to make any particular sacrifices to pay that money back again. Nevertheless, when the government makes the provision for that bank, it does so with the full intention that the person who borrows the money will pay it back with reasonable interest.

A second reason is that the business conditions in the islands are

not good, although they promise to be better. As we know, any country which has been devastated by war must suffer from that devastation for a number of years, and while the immediate effects of war have been largely removed, some remain. The conditions, while better than they were, are in many places worse than under the Spanish occupation, but that condition of affairs is rapidly passing away. Again, as you know, there has been in the islands for the past few years, and the danger is not yet past, a plague from which perhaps nine-tenths of the cattle and horses, which are the only draft-animals in the islands, have died. When a farmer wishes to till his land, if his animals are gone, he is in a serious plight; so it is advisable that some means be furnished the Filipino by which he can buy cattle. The United States did appropriate \$3,000,000 which could be used for meeting the more pressing needs of the islanders along that line. More is needed, to be secured in the usual way by individual credit. Again, there have been plagues of locusts; there have been tornadoes; and for various other reasons the agricultural conditions have not been good of late years, so that if any means can be found whereby the native Filipinos, who are these land-owners, can secure small loans to meet the pressing needs of seed, tools and draft animals, it will be likely to improve conditions very decidedly.

Again, as Governor Ide has already indicated, there are no means at the present time to provide these things. Of the four larger banks two are forbidden to loan money on land. The other two could make such loans, but being occupied in the exchange business, they are not likely to find it profitable enough to organize branches for making petty loans to the agriculturists here and there throughout the islands. It would not pay them, and they will not do it. An investigation made into that question showed that the present agricultural loans aggregated only some \$400,000 and most of those were made to the larger landowners, so it is necessary to provide some means, such as an agricultural bank. The large banks do not care to make loans to small landowners. We do not perhaps appreciate how small the land holdings are, because they are not to be compared with our land holdings at all. It should be borne in mind that the Filipino farmers to a considerable extent own their land. Their system is not a tenant system. More than 80 per cent of the

farms are worked by their owners; but when it comes to speaking of the size of the farms, only 1.3 per cent had as much as 7½ acres, so there are almost no large farms. Less than 5 per cent have 25 acres. More than 88 per cent—nearly 90 per cent—have less than 12¼ acres, and as high as 21.7 per cent of the entire number of farms in the island are only 194 feet square. I am not very good at guessing at distances, but I should say that more than 20 per cent of the farms are not more than four times the size of this room. That is not a very large farm; in consequence, when it comes to providing the owners of those farms with loans, it takes a special banking organization to look after the special needs of each individual landholder, however small that landholder may be.

Another pressing need is a lower rate of interest. Where people want loans very badly, and are willing to pay high rates for them, usually somebody will be found to give them credit. The Chinese merchants and other people, who have some surplus capital that they can loan from time to time, and who are willing to take what they can get for it, now make loans. In this way the Filipino agriculturists have been able to borrow; but they have paid from 10 per cent to 100 per cent interest. The investigation made about two years ago through the provincial treasurer of the islands showed that the usual rate of interest, if you can speak of such a thing as a usual rate, was about 2 per cent a month. That is, the people were paying, in round numbers, 25 per cent interest on the money they borrowed. This makes it clear that the government should be able to furnish small cultivators with money, so that they can pay off the usurers and in that way succeed in securing money at reasonable rates.

There is not very much of the experience of other countries that is similar to this situation. But we were fortunate in finding in Egypt a system of agricultural loans in a country where the conditions are in many ways quite similar to those in the Philippine Islands, where the system has been very successful. Of course there are agricultural banks in many countries, but in almost all cases these banks are on a co-operative system, among people who are themselves intelligent enough to manage their own banks, like the building and loan associations, or else they are in countries where capital is not so scarce as it has been in the Philippine

Islands, so that the experience of most countries would not serve as models for a system in the Philippine Islands. On the other hand, in Egypt, a country which has been very poor, a country greatly in debt, the inhabitants of which have the reputation of being thriftless, the conditions are such that it may stand as a possible model for us. A word or two, then, in regard to the conditions in Egypt, and the nature of the agricultural bank there. The system of agricultural loans in Egypt is not very old. It has been running only since the middle 90's, but with conditions as they are it has been apparent to many people that Egypt might serve as a model. In consequence Dr. Kemmerer, the adviser of the Philippine government on monetary affairs, was requested to look into the system, visit Egypt and make a detailed report. It is largely as a result of his report that we have been able to work out a system which will probably be successful.

In 1894, Lord Cromer, the English consul general and diplomatic agent of England, who has been, of course, the real ruler of the country, tried to get capitalists interested in agricultural loans. He failed in that. Then the government started its plan in a tentative way, first loaning seed, then small sums of money, where it could be carefully watched, and thus the system gradually spread. It was found that the Egyptians, who had been said to be so thriftless, careless and improvident, were willing to pay back their loans, so the system grew rapidly. In the year 1898 there was something like \$37,000 loaned. The next year the plan had been so successful that about \$150,000 was loaned, and in 1900, \$700,000. After this experiment, the government persuaded the National Bank of Egypt to take over the business of loaning, and later, in 1902, the Agricultural Bank of Egypt was founded, with a capital of \$12,500,000, which was rapidly increased to \$35,000,000, and it is now proposed to increase it to \$50,000,000. Loans, up to the present time, have amounted in round numbers to \$50,000,000. Out of this \$50,000,000 of loans which have been made, not one dollar has been lost. That seems to show two things: first that the native Egyptians are not so careless and thriftless as was thought before, and second, that the management of the bank itself has been extremely skilful and careful. Out of the entire amount loaned, only small sums have had to be collected under pressure; only one was not paid by the

borrower, and that one was paid by one of the officials who had given credit unwarrantably.

As to the people who invested in the bank, how did they come out? The bank has paid good dividends, 4, 6, 7½ per cent on the common stock, besides laying aside something for surplus, so that at the present time the common stock of the company is selling at about 100 per cent above its face value. The rate of interest, owing to the fact that the loans had to be made in small sums, was first placed at 10 per cent. Afterward, when the system was firmly established—when the new bank was formed—it was found that they could make the rate 9 per cent, and recently the rate has been lowered to 8 per cent.

It is proposed, in the Philippine Islands, to establish a bank along the same lines. The success of Egypt has been most surprising, not only from the banker's point of view, but also in the effect the bank has had in the country itself. The people have learned regular business habits from just treatment in their dealings with the bank.

A loan is not made to an Egyptian to use as he pleases. When he applies for a loan he is asked how he wants to use his money. Does he want to buy seed, farm cattle, or tools? He is requested to give the reason for his loan and then he is compelled to live up to his agreement. If it is found by the bank that he is making a wrong use of the money—if he says he will buy tools and spends the money on a wedding—the bank at once interferes. The loan immediately becomes due, and is collected by legal means. By lending money to the farmers for a certain object, and then compelling them to live up to their agreements, the operations of the bank have been conducted without loss.

These loans are made payable in annual instalments. In order to save the bank from expense, and ultimately to lower the rate of interest, it has been thought desirable for the government tax collectors to do part of the work of collecting these loans and interest. As the collectors visit the small farmer to collect taxes, they present the bill for the interest and the part of the loan which is due. If the borrower fails to pay it, the government does not itself make collection by legal process. When this is necessary, it is done by the bank. That is extremely desirable, because it is the collection



by legal process which would be likely to make the farmers oppose the government.

That is the general plan in Egypt, and that plan will probably be followed out in the main in the Philippines. Some of the conditions are not quite so favorable in the Philippines as they are in Egypt. In the first place, in the Nile Valley the people do not depend upon the rain-fall at all. They are perfectly sure of a crop. Once I was standing at a railway station near Cairo with the American consul-general. I noticed a cloud and said, "It looks as if there were going to be a shower." The consul-general looked at me for a moment and replied, "The sky frequently looks that way. The last shower we had was seventeen years ago last April. Don't be worried." It never rains in Egypt, but there is always plenty of water because the government by its irrigation system so regulates the water supply that they are sure of a crop. That is not true of the Philippines; we must therefore figure on occasional partial failures of crops. Second, the Philippines are not so compact as Egypt. The arable land of Egypt is all along the Nile Valley, and it is comparatively easy to get from one part to another. Again, I think the people of Egypt are somewhat more homogeneous than those of the Philippines. I am inclined to think that the Filipinos are intellectually more able than the Egyptians, but I do not think that they are so easily led, nor that they will be so ready to take the advice of the government as are the Egyptians. I think therefore that the characteristics of the Filipinos would make the conditions not quite so favorable as those in Egypt. Nevertheless, the conditions in the Philippines are good enough, so that there is not only a reasonable prospect of success, but so that, if the bank is handled intelligently, success is practically certain. First there must be an honest, capable administration. If the bank does not send the best men to look into conditions and administer the business, firmly and faithfully, with reference to the feelings and welfare of the people, and intelligently with reference to the conditions under which loans are made, the bank will fail, but if that *is* done the bank will succeed.

A word or two with reference to the provisions of the new law. It provides that loans shall be made preferably to the small farmer. Only a relatively small proportion of the capital, say 25 per cent

presumably, will be put out in large loans to the rich farmers. Of course there are some who need to buy modern American machinery that ought to have large loans, and such loans will probably be made at times, but only on the consent of the minister of finance and justice. The preference is to be given to the small landholder.

Again, in order to induce capital to go into the islands and take up the banking business (because, as you know, capital is shy of going so far from home), the government is prepared to guarantee an interest of 4 per cent on the capital that is actually issued by the bank. The Philippine Commission has power to determine what the amount shall be; but the risk to the Philippine government can never, in any one year, be more than \$200,000 (400,000 pesos), and in the present financial condition of the islands that could be taken care of very easily, should it be necessary; but from the experience in Egypt, it is not likely that any guarantee will be called for at all. Again, there will be careful supervision by the government itself. Presumably we shall allow our tax collectors also to assist in the collection of these loans, unless it comes to a collection by legal process. Then it will be done by the bank officials doubtless, and not by the government.

As yet the capital has not been secured for this bank. Capitalists have not agreed to undertake it, but presumably the capital will be obtained on conditions which will be satisfactory. In my judgment it will be a safe and profitable investment, and a measure of untold value to the islands themselves.

A good deal is said with reference to the action of the United States in not providing for the free admission of Philippine products to the United States, but after all, the question of tariff is not the most important. The greatest single thing, probably, which could be done to improve the conditions in the Philippine Islands has been done in making arrangements for the establishment of this agricultural bank, from both the economic and the political point of view. We want to satisfy the demands of the Filipinos themselves. In addition to that, there is no possibility of conflict between the interests of the United States and those of this agricultural bank in the Philippine Islands; so that there ought to be no opposition whatever to its work.

## THE PHILIPPINE POSTAL SAVINGS BANK

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In undertaking a sketch of the Philippine Postal Bank, three general questions present themselves: (1) What were the conditions leading to the bank's establishment? (2) What are its characteristic features? (3) How has it so far succeeded? We will briefly consider these questions in their order.

It would be superfluous to attempt to explain to the members and friends of this society the importance of the saving habit in the building of character, and in the inculcation of those basic virtues of providence, thrift and self-control, which are among the foundation stones of popular self-government. It is because these virtues find expression in the saving habit, and are in turn developed by that habit, that the late Francis A. Walker could say with truth that, "Nations are progressive in proportion as they possess the power to save."

No one acquainted with the Filipino people need be told that they are deficient in frugality and thrift—virtues in which their neighbors, the Chinese, excel. Whether the Filipino's improvidence is due to his Malay stock which is proverbial throughout the Orient for thriftlessness, to the tropical climate in which he lives, or to the insecurity of property during the Spanish régime, and the absence of facilities for the safe-keeping of money, need not concern us here; the fact remains, that, allowing for many noteworthy exceptions, the Filipinos as a people have never developed the saving habit, and are deficient in foresight, the capacity to anticipate the future, in thrift, the capacity to labor for the future, and in self-control, the capacity to deny themselves the pleasures of the present for the more enduring ones of the future.

If the Filipino people have never developed the habit of saving, nor the virtues which that habit exemplifies and inculcates, the question arises: How can they be encouraged to save, to forego the momentary pleasures of the cock-pit, the gambling table, of

cheap jewelry, and of the holidays without number, for the more substantial advantages arising from an accumulated reserve? It is evident that we cannot force the Filipino to save against his will, and that we cannot expect suddenly to transform him by any device of law, or education, into a frugal and thrifty Anglo-Saxon. We can do something, however. We can teach the younger generation, through the public schools, the importance of saving, we can provide throughout the islands, for the benefit of those who are inclined to save, convenient places for the deposit of small sums, and can make the depositors absolutely secure in the possessions of their savings.

In a country where there are no banks outside the three principal cities, where there are but five cities containing more than ten thousand population, and where three-fifths of the civilized population live in barrios of less than one thousand inhabitants,<sup>1</sup> there is only one way to bring savings bank facilities within the reach of the people, and that is by the establishment of a postal savings bank. This fact impressed itself upon Secretary Taft when he was Governor of the Philippines, and in the summer of 1903 he directed the writer to prepare a report on the advisability of establishing such an institution. The report was duly prepared and submitted to the Philippine Commission early the following year. It recommended the establishment of a Philippine postal savings bank, and was accompanied by a draft postal savings bank bill. This bill was passed with a few alterations by the Philippine Commission on May 24, 1906, and is the basis of the present Philippine Postal Savings Bank.<sup>2</sup>

The general plan of the bank<sup>3</sup> is similar to that followed in many of the British colonies. It is a highly centralized institution, the head office is a division of the bureau of posts in Manila. All records of the bank are kept in this office, and through it all deposits and withdrawals must pass. This high degree of centralization, and the division of the postal savings banks of the islands into three classes, of which I shall speak presently, were rendered necessary largely in the interest of the safe handling of the savings

<sup>1</sup>Philippine Census, 1903, II, 38.

<sup>2</sup>The Philippine Postal Savings Bank act is numbered 1493, and is published in the Philippine Official Gazette, IV (June 20, 1906), pp. 409-412.

<sup>3</sup>For a more detailed outline of the plan see Kemmerer, "The Philippine Postal Savings Bank," in *Review of Reviews*, XXXIV (1906), 468-470.

bank funds. It would be obviously impracticable to impose any great money responsibility upon the 500 or more native postmasters scattered in the rural communities throughout the islands. The bank's centralization makes it possible, moreover, to permit any depositor to make deposits and withdrawals through any postal savings bank. This is an important advantage to soldiers, members of the Philippine constabulary, and others whose duties compel them to lead a more or less nomadic life.

Postal savings banks are divided into banks of the first, second and third class respectively. The director of posts determines to which class each bank shall belong. There are no limitations as to the size of deposits and withdrawals that may be made at banks of the first class. Banks of the second class are not allowed to receive any single deposit of over one hundred pesos—a peso is equivalent to \$0.50—nor to permit withdrawals of more than two hundred pesos a month. Banks of the third class can only receive deposits by means of postal savings bank stamps. No single deposit of over twenty-five pesos in stamps can be received by a postal savings bank of the third class, and no depositor is permitted to withdraw through a postal savings bank of the third class over fifty pesos at one time.

The minimum deposit authorized at any postal savings bank is one peso. The clerical expenses connected with the receiving and entering up of a deposit make it inexpedient to receive sums of less than that amount. A peso, however, is a considerable sum of money to a large number of the Filipinos whom the bank is intended to benefit, and more particularly to the children in the schools. In order to provide an attractive method of meeting the needs of children and of others wishing to make petty savings, the system of postal savings bank stamps which has proven so successful in England, India and elsewhere, has been adopted. Attractive postal savings bank stamps in denominations of five, ten, and twenty centavos are for sale at every postal savings bank in the islands. Folding cards with spaces on which to paste these stamps are distributed free of charge, and cards on which a peso's worth of stamps has been placed are received on deposit as the equivalent of money, at all postal savings banks.

The law provides that interest at two and one-half per cent



per annum shall be allowed on deposits "until practical experience shall demonstrate that a higher rate can safely be guaranteed." There is no limit to the amount that a person may have on deposit in the bank. It is provided, however, following the practice in Italy, that, "money to the credit of any depositor in excess of one thousand pesos shall not bear interest." The interest bearing minimum and the authorized maxima of deposits and withdrawals are doubled in the case of accounts of charitable and benevolent societies. The object of permitting deposits above the usual minimum of other countries, without interest, was two-fold. It was believed that such a privilege would benefit many well-to-do people who were not within the reach of other banks, or who, for one reason or another, distrusted them, by providing them with an absolutely safe place for the deposit of their larger savings. It would, in other words, provide an excellent and safe substitute for the practice of hoarding. In the second place it was evident that the bank by obtaining interest on the investment of such deposits, on which it paid no interest, would be in a better position to meet its running expenses, and might in time be enabled thereby to increase its rate of interest payable on the deposits of the poorer people for whose benefit the bank of course primarily exists.

The duty of investing postal savings bank funds is entrusted to a board known as the postal savings bank investment board, which is "composed of the secretary of commerce and police, the secretary of finance and justice, the director of posts, the insular treasurer, and a business man . . . appointed by the governor-general. Four classes of investments are permitted. They are: (1) United States bonds. (2) Bonds of the Philippine insular government, of the City of Manila and of certain other municipalities in the islands. (3) "Interest-bearing deposits, under proper security, in any bank situated in the United States or in the Philippine Islands having an unimpaired paid-up capital equivalent to one million five hundred thousand pesos," and (4) stocks of any such bank doing business in the Philippine Islands. No other kinds of investment are permitted. Absolute safety rather than large earnings is the dominant consideration in the investment of Philippine postal savings bank funds. Such are the broad outlines of the Philippine postal savings bank.

How has the bank so far succeeded? No adequate answer to

this question is yet possible. Few offices of the bank have yet been put in operation, and those few have been doing business only a short time. The postal savings bank stamps did not arrive in the islands until the fore part of February, and no reports have yet been received as to the way in which the Filipinos are taking to them.

The following facts, based upon the monthly reports of the chief of the postal savings bank division, as printed in the Manila daily papers, will give some idea of the progress of the bank during the first few months. The act creating the bank was passed on May 24, 1906, and shortly afterwards Mr. Ben F. Wright, formerly bank examiner for the islands, was appointed chief of the postal savings bank division in the bureau of posts, and assigned the work of organizing the bank, under the supervision of the director of posts.

On October 1 a postal savings bank was opened in the Manila post-office, and other banks were thereafter opened as rapidly as possible in the money-order post-offices of the islands. By November 30 there were nine banks open to the public,<sup>4</sup> and by the end of December the number reporting had increased to twenty-nine,<sup>5</sup> and on January 31 of this year there were sixty-two banks in operation.<sup>6</sup> During the month of October 214 accounts were opened at the Manila bank, and deposits aggregating 76,000 pesos were made. Of the 214 depositors 73 per cent were Americans and 14 per cent were Filipinos.<sup>7</sup> During the month of November the amount on deposit in the postal savings banks increased 69 per cent, and the number of depositors increased from 214 to 368. Of this number 78 per cent were Americans, and 12 per cent were Filipinos. During the month of December,<sup>8</sup> the last month for which figures are available, the amount on deposit increased to 185,000 pesos, an increase for the month of about 44 per cent, while the number of depositors increased to 621, an increase of 69 per cent. Of these 621 depositors 500, or 82 per cent, were Americans, and 90, or 14 per cent, were Filipinos.

With reference to the classes of people making deposits, the

<sup>4</sup>Manila Times, December 21, 1906.

<sup>5</sup>Manila Cablenews, February 3, 1907.

<sup>6</sup>Manila Times, December 21, 1906.

<sup>7</sup>Manila Times, November 12, 1906.

<sup>8</sup>Manila Cablenews, February 3, 1907.

following particulars are of interest: Five hundred and fifty-six were male, sixty-three were female, and two were charitable societies. The principal occupations, represented, in the order of their numerical importance, were: (1) clerks, (2) artisans, (3) professional classes, (4) laborers, (5) soldiers and sailors, and (6) policemen. Eighteen depositors were children under fifteen years of age, and eight were students. There was not a depositor belonging to the agricultural classes who constitute the principal element in the Philippine population.<sup>9</sup> The absence of agriculturists is doubtless to be explained in part by the fact that all of the banks in operation at the close of the year were in towns of some size, and that the banks had not yet been well advertised in the smaller barrios. Stated in round numbers, the average amount to the credit of a depositor was 298 pesos, the average size of deposits made in December was 140 pesos, and the average size of withdrawals was 106 pesos. There were forty-one accounts above the interest-bearing maximum of 1,000 pesos, including two above 5,000 pesos. One hundred and seventy-eight accounts were below 50 pesos, and 165 were between 100 pesos and 300 pesos.<sup>10</sup>

The figures show that the bank has made rapid progress during the first few months, and give earnest of great future usefulness. The benefits of the bank so far, however, appear to have accrued principally to Americans and Europeans. It was expected that Filipinos would become depositors of the bank only very slowly, and the results so far bear out this expectation. The Filipinos, comprising over 99 per cent of the civilized population of the islands, constituted but 14 per cent of the depositors of the postal savings bank at the end of the year, after the bank had been in operation three months; while Americans, comprising less than one-third of 1 per cent of the population, constituted 82 per cent of the depositors. In other words relative to population in the islands, there were about 1,700 American depositors to one Filipino depositor. Relative to population in Manila, there were 260 American depositors to one Filipino depositor. At the end of October Filipinos constituted 14 per cent of the total number of depositors; at the end of November the percentage was 12, and at the end of December it was again 14. There was, accordingly, from the beginning down to De-

<sup>9</sup>Manila Cablenews, February 3, 1907.

<sup>10</sup>Manila Cablenews, February 3, 1907.

ember 31 no appreciable increase in the proportion of Filipino depositors. Such comparisons must of course, not be given too much weight. In the interpretation of these figures large allowance must be made for the short time during which the banks have been in operation, for the Filipino's distrust, his lack of familiarity with such institutions, and for the fact that the banks to which our information refers are in towns of considerable size, in which the percentage of American population is much larger than it is for the country as a whole. After due allowance, however, is made for all these considerations, I think we must conclude that the little evidence so far available tends to substantiate the Filipino's reputation for improvidence, and to show the need in the Philippines of such an educational institution as the Philippine postal savings bank. The facts certainly justify the conclusion that the Philippine government should institute at once, through the officers of the bank and through the teachers and superintendents of the public schools, a vigorous educational campaign in the interest of teaching the saving habit to the rising generation of Filipinos. For, until the Filipino has learned the lessons of providence, thrift and self-control, which the saving habit exemplifies and inculcates, he cannot expect any high degree of either economic or political independence.

## RAILROADS IN THE PHILIPPINE ISLANDS.

BY CAPTAIN FRANK MCINTYRE,

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The question of the construction of railroads in the Philippine Islands was first taken up by the Spanish government about 1870. On August 6, 1875, was published a royal order governing the granting of concessions to construct and operate railways in the Philippine Islands, and in 1876, there was published in Manila a report on the general plan of railways for the island of Luzon by Eduardo Lopez Navarro, an engineer of the department of public works. This plan was submitted to the home government in Spain, and on August 9, 1876, a royal decree was published, giving the character of roads that must be built in the islands. The matter then seems to have been held in abeyance until 1883, when a royal decree of May 11 was published, announcing the routes for railway lines which were approved by the government as of general service in the island of Luzon. The lines thus approved were in accordance with the plan of Lopez Navarro, and were as follows:

Lines of the north:

From Manila to Dagupan by way of Tarlac.

From Dagupan to Laoag by way of the coast.

From San Fernando to Iba by way of Subic.

From Bigaa to Tuguegarao by way of Baliuag and Cabanatuan.

Lines of the south:

From Manila to Taal by way of Calamba, to Albay by way of Santa Cruz and Nueva Caceres.

Lopez Navarro in his report had divided these lines into two classes, as follows: First, those which would be at once profitable from an exclusively commercial standpoint, and in this class he included the line from Manila to Dagupan with a branch line to Cabanatuan, and from Manila to Taal, with a branch line from Calamba to Santa Cruz; and second, those where the returns would, during the first years, barely cover running expenses, under which



he classified the line from Dagupan to Laoag, Santa Cruz to Albay, San Fernando to Iba, and Cabanatuan to Tuguegarao.

It should be observed that the author of this plan was of the opinion that the system in its entirety could be completed at an average cost of \$27,000 per kilometer, and would pay a dividend on the total capital invested of 8 per cent. The matter, however, was not taken up seriously until several years later, when, following the plan proposed by Lopez Navarro, a concession for the road in the island of Luzon, which he regarded as most necessary, was advertised for sale, bids to be opened in Madrid and in Manila. After two unsuccessful efforts to sell the franchise, on the 14th day of October, 1886, the proposition of the representative of an English corporation to take over this concession was accepted. The road, the construction of which was thus undertaken, was from the City of Manila northward to Dagupan, a distance of 120 miles. This road was opened for operation in 1892.

By the terms of the concession the concessionaire was guaranteed annual net earnings of 8 per cent on the capital to be employed, which was fixed at \$5,553,700 Mexican. The net earnings were fixed arbitrarily at one-half of the gross earnings. When half the gross earnings exceeded 8 per cent. of the fixed capital, it was provided that the excess should be divided equally between the concessionaire and the Spanish government. The concession was for the period of ninety-nine years, at the expiration of which the Spanish government was to come into possession of the line, rolling stock and appurtenances of the road. For the ten years preceding the termination of the concession the government was entitled to retain the net proceeds of the railroad and employ them in maintaining it if the company did not fulfil the obligation of properly maintaining the road.

It is interesting to note that under this concession for several years the Spanish government was required to pay varying amounts to the concessionaire in accordance with terms of the concession; that in fact in the first quarter of the year 1898, for the first time, the net proceeds of the road exceeded the 8 per cent of the guaranty. Between 1892 and 1898 the government paid to the concessionaire in round numbers \$600,000 Mexican, but in the first quarter of 1898, received \$3,110 as its participation in the excess of net profits over the

guaranteed income. In 1905, on the other hand, the last year of which we have accurate information, the gross earnings of this line were \$847,410, United States currency, the net earnings being about 16 per cent on the cost of road. This would have given to the government, under the Spanish charter, a profit on the road for that year of approximately \$100,000 gold. This, however, has ceased to be a matter of more than curious interest, because the United States government refused to acknowledge as binding on itself the liabilities imposed on the government by the Spanish charter, and has felt equally that it could claim the emoluments due to the government under the terms of the charter. The solution of the very difficult question arising from this refusal of the United States government to accept as binding on it the Spanish charter is clearly set forth in the annual report of the Secretary of War for the past year.

In the first few years of American occupation of the Philippine Islands, the attention of the authorities was naturally directed to other and more pressing matters; but no sooner had peace been established in the islands than the importance of creating, among other methods of transportation, a system of railroads for the islands was fully recognized. It was also fully understood, especially in the light of the experience of the Spanish government, that without some governmental encouragement or guaranty, it would be impossible to induce responsible people to enter upon the construction of railroads in the Philippine Islands.

The organic act creating the present Philippine government, approved July 1, 1902, authorized that government to grant perpetual franchises for operations of railroads and other works of public utility and service (Sec. 74, Act of July 1, 1902). In accordance with this act the Philippine Commission, with the approval of the Secretary of War, in 1902 and 1903 granted perpetual franchises to the existing railway company to construct four branches, one to Cabanatuan, 55 miles in length; one to Antipolo, 24 miles in length and two short, unimportant branches. The franchises provided for payment of  $1\frac{1}{2}$  per cent of gross earnings in lieu of taxes for a period of thirty years.

This, then, was the condition of the Philippine Islands as to railroads when, in February, 1905, Congress passed an act which authorized the Philippine government to aid the construction of

railroads by guaranteeing interest not exceeding four per cent for thirty years on bonds, the proceeds of which should be used to build railroads under franchises granted by the Philippine government.

At the time of the passage of this act, 120 miles of railroad—the Manila and Dagupan line—was being operated under the Spanish franchise heretofore referred to, and 85 miles was being operated, or was under construction, by the same railroad company under the franchises granted by the Philippine Commission. The act of February, 1905, gave the opportunity for assistance to railroad construction which the Philippine Commission had long desired.

After the passage of this act it was necessary to determine the lines of railroad which it was most necessary to have constructed. In determining this it was necessary to consider the amount of contingent liability which the Philippine government could readily assume and the railroads which commercially were most desired, as well as those which would be of the greatest benefit in opening up sections of the islands which were susceptible of development.

It was determined to offer concessions for three lines in northern Luzon, one from Dagupan to Laoag, 168 miles in length; another from Dagupan by way of Tuguegarao to Aparri, 260 miles in length, and the third from San Fabian to Baguio, 55 miles in length; two important lines in southern Luzon, one being from Manila to Laguna, Tayabas and Batangas, 130 miles in length, and the other through the provinces of Ambos Camarines and Albay, 100 miles in length.

It is important to notice in this connection that these roads were practically the same as those selected by the Spanish engineer, Lopez Navarro, in 1876, the principal differences being that in the second of the lines above mentioned in northern Luzon he proposed to have its northern terminus at Tuguegarao instead of going to Aparri on the north coast, and that instead of the line from San Fabian to Baguio he had proposed a line from San Fernando by way of Subic to Iba, in the Province of Zambales. The condition which had made the line to Baguio important, that is, the selection of that place as the summer capital of the Philippines, was not existent when Lopez Navarro made his report. The lines in south-

ern Luzon differed in no material respect from the lines proposed by him.

It was determined further to offer five lines on as many different islands of the Visayan group. These lines had apparently never been contemplated in the time of the Spanish government of the Philippines. The lines selected in the Visayas were, first, on the island of Panay from Iloilo, the capital of the Province of Iloilo, to the towns of Capiz and Batan on the north coast, a distance of approximately ninety-five miles; second, a line on the island of Negros, from the harbor of Escalante on the northeast coast to Himamailan on the west coast, approximately 108 miles; third, a line on the island of Cebu from the City of Cebu to Danao on the east coast, and south from Cebu to Argao, on the same coast, with the option of a line across the island from Carcar or Sibonga to the west coast, and thence along the coast between Dumanjug and Barili, a distance of approximately 80 miles. The distances are given from preliminary surveys and vary somewhat from the distances given in the invitation for proposals. Lines were also proposed on the islands of Leyte and Samar for 55 and 50 miles, respectively.

Having determined the lines which it was desired, if possible, to have constructed, it was decided that, while not required by law, it was best to invite public competition in the letting of the franchises. In preparing the invitation for bids it was necessary to so arrange the conditions of the bid as to be fair to the then existing railway, and at the same time fair to any new corporation that desired to construct railways in the Philippine Islands. This, it is thought, was satisfactorily arranged and the published invitation has never been criticised in this respect.

The existing railways were 3 feet 6 inch gauge, and while all American experience pointed to the advantage of having the new lines of the standard gauge of 4 feet 8 inches, especially if they were to be built by American companies, yet fairness to the existing roads required that this matter of gauge should be optional as between these two gauges, and it was so made in the invitation for bids, the preference being given after exhaustive examination and consideration of local conditions to the narrower of the two gauges.

The next important consideration in the invitation was to make the bidding as fair as possible between small corporations who

might desire to build one or more of the lines, and larger corporations who might desire to take over the whole railway proposition. This was done by requiring that proposals or bids should be made in respect of either:

- (1) The railway system as an entirety.
- (2) The lines in northern Luzon, inclusive and collectively.
- (3) Any other lines singly or collectively.

The next important question was to determine the bases of competition, and it was provided as follows:

The successful bidder or bidders for the proposed concessionary contract or grant will be selected by the Philippine government after a consideration of the following points of competition as disclosed in the written bids:

(a) The lines of railway above mentioned and the mileage thereof which the bidder will so construct, equip, maintain, and operate without any guaranty.

(b) The rate of interest to be guaranteed on the bonds, which rate may not exceed 4 per cent, the bidder to state what, if any, less rate he will accept.

(c) The duration of such guaranty, which may not exceed thirty years, the bidder to state what time, if any, less than thirty years he will accept as the duration of the guaranty.

(d) What percentage less than 95 per cent of the cost of construction, as defined in paragraph XI, the bidder will accept as the amount for which such first lien interest guaranteed bonds shall be issued in accordance with paragraph XII.

(e) Alternative proposals involving all, either or any combination of the foregoing points of competition.

(f) The Philippine government in determining the proper grantee to whom to award the concession will exercise its discretion to secure a grantee capable of fulfilling the conditions and requirements of the concessionary contract or grant. To aid in the selection each bidder must state what organization and facilities he commands for undertaking the work, what forces will be employed in making the final location, and how soon and in what manner the work of construction will be prosecuted thereunder, and with what organization and credit or means of credit he intends to maintain and operate the system or lines.

In addition to these points it was necessary to prescribe in the invitation for bids the conditions which would govern the construction; the privileges, in addition to that of free entry of material as provided in the law of Congress, which might be given to the constructing company by the Philippine Commission; requirements with reference to telegraph and telephone systems along the line of



railway; requirements as to taxes; and what should be included in the cost of construction against which bonds guaranteed by the Philippine government were to issue. These matters were all considered by the War Department, in correspondence with the Philippine Commission and also with others having a public interest in the matter, and possible intending bidders and railway experts in the United States. The invitation is too extensive to be given within the limits of this paper, but can be found in full, as can also the laws subsequently enacted by the Philippine Commission granting the concessions, in the report of the Secretary of War for the year just ended. This invitation for bids was issued by the Secretary of War under date of June 12, 1905.

It had developed prior to the issue of the invitation that while there would be in probability some serious bids, American capital in general was far from enthusiastic over a railway proposition so remote from its ordinary fields of investment as the Philippine Islands; nor was the guaranty for thirty years of 4 per cent on the cost of construction, the maximum authorized under the law, a great temptation.

The bids were opened on the fifteenth of December, but it is necessary to consider but two of the three bids received. The first bid was made by a syndicate composed of William Salomon and Company, the International Banking Corporation, Heidelbach, Ickelheimer and Company, Cornelius Vanderbilt, Charles M. Swift, H. R. Wilson, and J. G. White and Company, and was for the three lines heretofore described in the islands of Cebu, Panay and Negros. This bid called for practically the maximum guaranty, both as to amount and as to time, which the Philippine government was authorized to make under the law.

The second bid was from Speyer and Company, in their own behalf, and that of the existing railway company in the island of Luzon, and was for the two lines in the south of Luzon, heretofore described, and for certain branches of their existing railway in the north of Luzon, but did not include the line from San Fabian to Baguio or from Dagupan to Laoag, nor the northern line extending down the Cagayan Valley to Aparri. Speyer and Company's bid called for no guaranty on the part of the government.

Both of these bids failed to comply with the requirements of

the invitation in the matter of time for the completion of the work, and in certain other details. The bids were accordingly rejected and an amended invitation issued calling for bids to be opened January 20, 1906. On opening the bids on that date it was found that the syndicate referred to first had again bid for the three lines in Negros, Panay and Cebu. This bid complied with all the conditions of the invitation as amended, and was accepted. Under the terms of the proposal the Philippine government was required to guarantee interest at 4 per cent for thirty years on bonds equal in par value to 95 per cent of the cost of construction of these lines. It is estimated that the total cost of the 283 miles of railway, including original equipment, will be in the neighborhood of \$12,000,000.

The second bid, as in the preceding opening, was from Speyer and Company, and consisted of two parts. One was for the construction of the line from Dagupan north to Laoag, approximately 168 miles, and called for the full authorized guaranty for the maximum term authorized by law. The second part of the bid was for branches from the existing lines of the Manila Railway Company to Cavite and Naic, 29 miles; from San Fernando to Floridablanca, 14 miles; from Dau to San Pedro Magalang, 9 miles; from San Miguel to La Paz, 10 miles; from Moncada to Humingan, 24 miles; a branch from Maraquina, on the Manila-Antipolo line, then under construction, to Montalban, an estimated distance of 8 miles; and for the two lines, slightly modified as to some details, advertised for the south of Luzon, and for a line from Dagupan to Camp No. 1 on the road to Baguio, distance of about 25 miles.

As the conditions stated in the proposal of Speyer and Company were in several respects unsatisfactory, the matter was taken up with that company, through their legal representative, Mr. John G. Milburn, and after some discussion the terms of the proposal were so modified as to meet the objections of the Secretary of War and of the Philippine Commission. The first part of the Speyer and Company bid was withdrawn at the request of the Philippine Commission, which felt that, having agreed to the contingent liability for the lines in the Visayan islands, they would prefer to proceed with the construction and operation of these roads before making a further guaranty under the authority of the act of Congress. Instead, therefore, of undertaking, as proposed, the construction of

the road from Dagupan to Laoag under the guaranty, the concessionaire agreed to construct a line from Dagupan to San Fernando, a distance of approximately 35 miles without guaranty. The bid of Speyer and Company, as finally accepted, proposed to build in the island of Luzon approximately 426 miles of road without guaranty on the part of the government.

In accordance with the terms of the act of Congress authorizing the Philippine government to assist in the construction of these roads, the syndicate whose bid for the Visayan railroads had been accepted, was organized as a corporation under the laws of the State of Connecticut, under the name of The Philippine Railway Company, and on May 28, 1906, the Philippine government formally passed an act granting the Philippine Railway Company a concession in accordance with the terms of the accepted proposal for those lines. Similarly a corporation to take over the concession bid for by Speyer and Company was organized under the laws of the State of New Jersey, under the name of The Manila Railroad Company, and on July 7, 1906, the Philippine Commission passed an act granting to that company a concession in accordance with the terms of the accepted proposal of Speyer and Company.

The concessions having been granted, little time was lost in beginning the actual work of construction, and there is every indication that the work will be entirely completed on all the roads now authorized within four years. The Philippine Railway Company, in the month of February, had 4,000 men working on the island of Cebu and 1,500 on the island of Panay. The first twenty miles of the road in Cebu will probably be completed and open for operation in the month of June. The government is represented in the construction of these roads by an expert railroad engineer sent from the United States. He passes on all questions relating to the class of construction, and questions relating to the cost of construction of those roads in which the government guarantees the interest on bonds.

Summarizing—when we took over the Philippine Islands there was a single line of road 120 miles in length from Manila to Dagupan. The population tributary to this road was 700,000. The net income of this road in 1905 was approximately 16 per cent of the fixed cost of construction. In 1902 and 1903 franchises were

granted by the Philippine government for the construction of eighty-five miles of additional railway by this company. These lines are now completed and in successful operation. Under the act of February, 1905, a concession was granted for the construction of 426 additional miles in the island of Luzon without guaranty of any kind on the part of the Philippine government. These lines, in general, pass through country as thickly populated as the territory of the old Manila-Dagupan Railway, and these in the south of Luzon through territory which is perhaps more productive. Under the same act concessions were granted for 283 miles in the islands of Panay, Negros, and Cebu, with the government guaranty of 4 per cent interest for thirty years on bonds covering the cost of construction.

We now have, then, in the Philippine Islands 205 miles of railroad in actual operation, and 709 miles under construction, a total of 914 miles. This does not seem a large thing for a territory occupied by nearly eight millions of people, and there is no doubt that after those lines now under construction are in operation, the mileage will be materially increased.

To appreciate, however, all that has been accomplished in this matter, it must be understood that all this work has been undertaken in a period of great commercial depression in the Philippine Islands; they have been undertaken without any promise that the country through which they go will be exploited in any way. The labor in the Philippines is, and will continue to be, that of the people of the islands themselves. The importation of Chinese laborers, and in fact the immigration of Chinese, is restricted by the same laws that govern in the United States. The land laws of the Philippine Islands are perhaps the most restrictive on earth. Every effort on the part of the government has been made to enable the Filipino to take up the public lands to the exclusion of every one else, and the laws are such as to practically prohibit any one but a Filipino from taking up or developing public lands. Aside from the Filipino, no one but an American citizen can take up public land in the Philippines, or in fact purchase such lands, and the individual is limited to 16 hectares (approximately 40 acres) and a corporation to 1,024 hectares, or approximately 2,500 acres, which amounts are so small as to practically discourage any effort at exploitation on the part of Americans.





PART THREE

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*Educational Problems in the  
Dependencies*

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AN EDUCATIONAL POLICY FOR SPANISH-AMERICAN  
CIVILIZATION

**BY PROFESSOR MARTIN G. BRUMBAUGH,**  
SUPERINTENDENT OF SCHOOLS, PHILADELPHIA.

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EDUCATION AND SOCIAL PROGRESS IN THE PHILIPPINES

**BY HONORABLE DAVID P. BARROWS,**  
DIRECTOR OF EDUCATION, PHILIPPINE ISLANDS.

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THE POSITION AND WORK OF THE ROMAN CATHOLIC  
CHURCH IN THE PHILIPPINES

**BY THOMAS B. LAWLER, A.M.,**  
NEW YORK CITY.



## AN EDUCATIONAL POLICY FOR SPANISH-AMERICAN CIVILIZATION

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BY PROFESSOR MARTIN G. BRUMBAUGH,  
Superintendent of Schools, Philadelphia, and former Commissioner of  
Education for Porto Rico.

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The problem of education for Spanish-America is, first of all, a problem of language. Many people in these countries have a high culture in symbols unfamiliar to the English race. The first business of the American republic, in its attempt to universalize its educational ideals in America, is to give these Spanish-speaking races the symbols of the English language in which to express the knowledge and the culture which they already possess. To this end and for this purpose only a large element of concrete treatment must necessarily enter into the beginnings of any educational policy intended for these people. The purpose of the concrete phase is to give an objective association for the new symbols and thus aid in the rapid acquisition of the English language. The schools should have kindergartens underlying them and manual training departments throughout their grades.

Another matter not to be overlooked is that, while these people are acquiring thus the symbols of a new language, they must not be allowed to neglect the perfecting of their thought in the symbols of their native tongue. It is my contention that children in school will learn two languages in the formative years as rapidly as they will learn one, and each will be the better learned by reason of the mastery of the other. This was demonstrated over and over again in our experience in Porto Rico, and it would be a great injustice to the Spanish-American civilization to undertake to remove the language of their native country, so rich in literature, so glorious in history. But if the trend of life, social, economic and political, is to be from the north to the south in our American continents, they must acquire two languages and we with them must be students of a bi-lingual civilization. A man is as many times a man as he has languages in which to think and with which to express his thought.

Another matter of vital importance arises from the fact that Latin-America has two entirely separate types of people. The highly cultivated cosmopolitan culture of the one group is in striking contrast to the almost absolute lack of knowledge and culture on the part of the major group—the peon. The result of these two diverse groups is that there is no essential democracy of thought such as is common and vital to the American republic. Any educational policy, therefore, that seeks to put the fundamental spirit of democracy into the Latin-American civilization must break the distinctions that prevail between these classes and build up everywhere, out of this larger group, individuals who shall constitute an intermediate civilization running through all the gamut of development from the humblest to the most cultured. Experience has led me to believe that here is the vital secret of the educational propaganda that must eventually prevail. Schools must be established everywhere for all the population. Out of this upper group, finely trained men and women must come to meet with the best of the other group to teach the masses of the children of the illiterate. And so, intermingling as teacher and taught, there will arise inevitably, as the spirit of the school, a democracy of substantial citizenship to whom the franchise may safely be entrusted and from whom, possessed as they are with the fundamental virtues of the race, will come reinforcement and strength to all social, economic and civic advance.

Another principle which must not be overlooked in any attempt to formulate a school policy for the American republic with reference to its neighbors, is the matter of securing an efficient and effective teaching body for the schools. Wide observation and study confirm the judgment that no people has ever risen to commanding influence who did not breed its leaders out of its own life. No amount of imported teaching power can permanently serve the highest interests of a people. The teacher from the United States may for a season, and should, set models of educational method and organization throughout these countries, but their presence should be distinctly understood as a temporary relation to the educational policy of these countries. Normal schools should be established. The most highly cultivated and the most energetic young men and women of these respective countries should be gathered into these

great normal schools and trained in the fine art of teaching the human soul to grow harmoniously.

Japan wisely brought from Europe and America a group of teachers to inspire and to guide and to formulate an educational policy for the empire; but when the Japanese teacher had been trained, and Japanese leadership had been bred, the visitor there from other countries was politely invited to return, and the nation to-day gloriously carries on its reorganized system under native leadership and home-bred teaching.

It is necessary also to remember in this connection that in a community where there is a practical absence of intermediate groups of life, the teacher is likely to be regarded from the wrong social point of view, and such has been the case, at least in some of the South American countries. I am told by the director-general of the higher schools of the Argentine that when, in 1869, Sarmiento de Gamboa assumed the leadership of that mighty people, he discovered among other things the low social estate of the teacher and set himself deliberately to the task of making the teacher, with the priest of the church, a moral as well as an intellectual and social force in the state; and this, I take it, is the need in any policy that is to bring permanent development to this people.

Waiving for the moment the relative significance of the various forces that build on the side of the real qualities of the soul, I am constrained to say that the materials contained in the curriculum of the schools of Spanish-America should be in the elementary grades the materials of the child's environment and in the higher grades the materials that bind together the great countries north and south, the brotherhood of states west of the Atlantic sea.

It seems also a wise provision to arrange for the education of representative groups of teachers from all these various countries in the best schools of the United States, in order that these young teachers may be able to carry back into their life-work the actual processes of education as they are unfolded here in our system of American thought. The coming of these teachers will also give to our people a better insight into the needs and into the conditions attending the development of an educational system throughout Latin-America.

It is my opinion that there should be established somewhere |



midway between South and North America (and at the present time undoubtedly in the island of Porto Rico) a great insular school; its faculty made up from the United States and from the South American countries, with its pupils coming from all over the Latin civilization. This school would be a clearing-house of ideas and a central point from which should emanate the finest formulation and expression of the best thought of the trained and experienced minds of the continents. It has long been my feeling that the great institutions of learning in America should in some way combine, and for the sake of the service which they can render to mankind, maintain such an institution of learning. In no other one specific way could these higher institutions of American thought extend their usefulness and endear themselves to the whole American people, and I confidently urge this upon their immediate attention.

Finally, no teacher should go to any new country, with whose social, intellectual and religious ideals he is unfamiliar, without carrying into the work the lofty spirit of a true missionary, which is the spirit of service for others. The teachers who pass to the South, carrying the banners of American thought, must carry in their hearts a warm sympathy and an abiding faith in the goodness of men and in the universal advance of the whole people through education. Unless this spirit dominates the whole enterprise, it is doomed from its beginning.

## EDUCATION AND SOCIAL PROGRESS IN THE PHILIPPINES

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BY HON. DAVID P. BARROWS,

Director of Education for the Philippine Islands.

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A little more than six years have elapsed since the establishment in the Philippines by the American government of a bureau of education and since the organization there of public instruction. In this interval public instruction has had a prominence seldom accorded it elsewhere. On it the government has largely relied for obtaining a successful issue for its policy in the Philippines, and of all the efforts put forth by the American government public instruction seems to have most fully won the support of the Filipino people; nor has the experiment so far failed to justify the confidence originally accorded to it, and the past twelve months have seen a greater public outlay and a larger measure of support from both insular and local branches of the government than have ever before been witnessed. This open reliance of the American government, almost from the beginning, upon public instruction accords with a confidence generally felt in America that through the public schools comes the most effective solution of social problems.

In the Philippines the fundamental aim of the school system is to effect a social transformation of the people, and the system can only be understood in the light of the social conditions which prevail. Out of a total population of less than eight million souls, as determined by the census of 1903, about seven million are Christianized peoples. While they occupy only about half the geographical area of the archipelago, this area comprises most of the available seacoast, the fertile plains and the cultivated river valleys. While this population differs in respect to language, and to a less degree in point of character, from island to island, nevertheless, it was all converted to Christianity at the same time—about three

centuries ago—and it was all subjected to a long period of identical administrative and civilizing influences, so that the culture and social conditions of the people are nearly everywhere virtually the same. One who has lived in a town in the northern part of the island of Luzon might visit a town hundreds of miles to the south on the islands of Bohol, or Mindanao, and recognize at once that the surroundings, the life and problems of the people were the same.

Throughout these islands the unit of administration under the Spanish régime was the *pueblo* or township. There were about 1,160 of these in existence at the end of the Spanish rule, and perhaps I can in no way give a truer impression of the life and surroundings of the Filipino than to describe a typical one. The jurisdiction of the town I have in mind embraces a territory of about thirty square miles. For about three miles its territory lies along a beautiful strip of shore and sea. Every mile or so there is a fishing hamlet, a cluster of nipa-thatched, pile-built houses, set back among cocoanut palms and acacias, while the beach of yellow coral sand is covered with long fishing boats and with nets spread to dry. The "center of the town" is about a mile back from the coast, on the banks of a small river, up which good-sized trading praus can get at high tide. Like all Filipino towns, it is built about a public square or plaza. On one side is the magnificent church, whose high belfry and iron roof are discernible for many miles around above the palms and mango trees. Another side of the plaza is occupied by the Tribunal or Presidencia, where the public officers—president, treasurer, secretary, justice of the peace and municipal police have their headquarters. The rest of the space about the plaza is occupied by stores kept by Filipinos, Chinese and occasionally by foreigners, and either facing the plaza or on the streets in the immediate vicinity are perhaps a dozen handsome, well-built houses, the lower floors usually of stone, the upper of wood, where live the few wealthy and literate families of the town. These families own extensive rice haciendas in the *pueblo*, have large numbers of dependent tenants and are interested in a number of profitable commercial undertakings. The head of one of these families is a physician; two others studied in Spain and have traveled in Europe. Most of them have received at least a fair Spanish education. If you enter the homes you will find

beautifully polished floors of hardwood, expensive furniture, mirrors, pianos and harps; you will meet with charming entertainment, bright conversation, with a warm-hearted, sincere welcome. This class of people is existent in practically every town, although their condition would not always be as favorable as that which I have just described. They represent the highest social class among the Filipino people. This is the class locally known as the "gente ilustrada" as distinguished from the "gente baja," or the poorer and illiterate class, and in the proportion between these two social divisions, the gente ilustrada is but a very small fraction. Out of the 26,000 people who live in the pueblo which I have described, only about a dozen families belong to the gente ilustrada and the balance are weak and illiterate peasants, whose life and character we must now consider.

Scattered over most of the jurisdiction of the town there are hamlets called barrios. In the town which we have been describing, four are on the coast and are fishing barrios, and one is on a small island off shore; eleven are in the plain or valley and three or four are far back in the hills—little settlements considerably removed from the life and influence of the town. Despite the fact that this poorer population is Christian (and this is a most important fact), their material condition and surroundings differ little from that of their ancestors when the Spanish conquered the islands. Their houses are small, insufficient shacks of palm leaves and bamboo; their food a diet of rice with an inadequate amount of fish. Such knowledge of the outside world as reaches them comes in a most distorted and misleading guise and simply serves to delude and misguide a people whose ignorance and credulity are almost unbelievable. There are a small number of carpenters, smiths and masons among them, these industries usually being localized in certain barrios, but the great majority of the population who are not fishermen are agriculturists. In some provinces, notably on the Ilokano coast of northern Luzon, many of these peasants own their little farms, which average altogether about eight or nine acres, and form a class of what we would call peasant proprietors, but the great bulk of the islanders are not so fortunate, their relation to the soil being simply that of tenant. The owner of the estate on which they have most of them lived from infancy,

stands in a peculiar relation to these people. The foundation of this relationship is purely economic, and yet the influence extends to every side of their life. The owner is the "amo," or master; they are his "dependientes," or dependents. Most of them are in a position of bonded indebtedness to the amo, an obligation which is never repudiated, and which descends from father to child. The debtor himself may not know the origin of the obligation, and being quite ignorant of mathematical calculation he is always uncertain as to its amount, nor does he know how it increases or might be decreased. If trouble comes or death, sickness or destitution, it is to his amo that he appeals for relief, with the result of still further increasing his obligations. This dependiente has nothing laid by for the future; he has not even a granary nor facilities for hoarding enough food to carry him from one harvest to the next. As the interval between harvests draws to a close the price of rice invariably rises and must be obtained on credit and by hypothecation of the future crop.

Over and above the economic control the amo sways the action and attitude of his dependientes. In the time of revolution they obeyed implicitly his direction to commit acts of violence. If the amo joins the present secession from the Catholic Church, known as the Aglipayano schism, the dependientes become Aglipayanos also. This local or petty despotism is known in the Philippines as "caciquismo."

It will be seen how important in its influence on the efforts of our government such a social condition as this is. Moreover, the relationship between master and dependent is primarily a commercial one. It is not mitigated and softened by the kindness, the loyalty and responsibility for the welfare of the weaker which are felt in old aristocratic systems; it is hard, selfish, grasping commercial exploitation. This condition of things is not primarily due to Spanish rule, it is characteristic of Malayan society. The poor Malayan instinctively dreads and submits to the power of the stronger, especially where that power is of a material kind, and the Spanish system in its very efforts to advance the population, did much to aggravate these social distinctions.

About 1835 the Philippines were open to foreign trade. An almost unbroken period of development and prosperity, during



which the population rapidly increased, followed and was only broken by revolution. But with the exception of the Spaniards, Chinese and foreigners, the only class of Filipinos who profited by this economic prosperity, was the small upper class. When the Spanish government organized public schools, the instruction, though widely distributed, was adequate only for a small number, and thus the upper class alone benefited while the great mass of the population remained in benighted ignorance as before.

This social condition being understood, public instruction in the Philippines was organized with the conscious purpose of transforming the condition and position of the *gente baja*. Our aim is to destroy *caciquismo* and to replace the dependent class with a body of independent peasantry, owning their own homes, able to read and write, and thereby gain access to independent sources of information, able to perform simple calculations, keep their own accounts and consequently to rise out of their condition of indebtedness, and inspired if possible with a new spirit of self-respect, a new consciousness of personal dignity and civil rights. For the accomplishment of this end our inheritance from the Spanish régime was small; a considerable number of school houses, planted in the centers of population in the towns survived the destruction of war and have been of great service. There was a body of Filipino teachers conversant with the Spanish language, some of whom after receiving English instruction, have become admirable members of the teaching force, but most of them were too old, too conservative and incompetent to be of use and were gradually dispensed with. The result was that there is no historic connection between the schools under the Spanish system and those under the American government, and while most of the institutions prevailing in the Philippines are built upon Spanish foundations, this is not true of the schools. They are distinctively a new product, and while differing radically in essentials from what obtains in the United States, they are undoubtedly the most distinctively American institution which has been transplanted to Philippine soil.

Added to other difficulties there was the question of language, and this was resolved by making all instruction in all public schools, English. I cannot enter upon any general discussion of the advisability of this decision at the present time. I can only enume-

rate some of the reasons why it was done. If there had been one common Malayan language spoken by all the seven million inhabitants, undoubtedly this language would have been chosen as the language of instruction, but there are at least eight distinctive languages widely spoken by the Christian peoples. Spanish had been decreed in earlier years the language of instruction for the archipelago, but its general use had never been attained, and the people speaking Spanish were limited to the small and wealthy class of each town. English, moreover, is already the language of general intercourse in all parts of the far East. From Japan to Australia and to India one must speak English if he is to travel, engage in business or read the journals in which the great bulk of current thought is expressed. More than this the desire of the Filipinos for the English language was, at the time the decision was made, strongly felt and earnestly plead for.

The problem before the bureau of education a few years ago, then, was about as follows: to organize a system of public primary instruction, not for the selected few, but for the entire juvenile population of the islands, and this meant the placing of a school within the reach of every barrio, and within the jurisdiction of the towns, which I have described, there are about 12,000 barrios. It meant training a corps of native teachers capable of giving this instruction, and training them in a foreign language with which none had any acquaintance. It meant finding the money to build several thousand school houses, pay the teachers, purchase the furniture, books and other educational equipment. Such things as schools will not run themselves, especially in the Philippines, even after once being organized. The most difficult part of the whole problem was to develop an administrative machinery capable of holding the work up to the standard which it was necessary to attain, and of doing this intelligently, systematically and continuously. More than this universal primary instruction being provided for, it was necessary to have in mind the needs of higher instruction and the training of young men for industrial efficiency, the development of both men and women as leaders among their own people, and in the requisite professions. More than this, this task had to be undertaken at a time when the islands were embarrassed by the results of war, and still, to a large extent, in a state of

rebellion; when hostility and distrust existed on the part of the governed for the governors, and when cholera, smallpox and other epidemic diseases were rife, and had demoralized the people, and when times were hard and money extremely scarce, even for the necessities of life. This is how the problem looked no longer than three years and a half ago.

It was necessary in the first place to have a plan, and this plan must be not perhaps the best theoretically, but one which could be carried out and which could be realized not in some distant year, but within a comparatively brief time. The necessity of bringing this general primary instruction within the reach of the entire population and doing it promptly was imperative. Under this necessity we threw precedents entirely aside and broke new ground. There were, and are, in the Philippines about 1,200,000 children between the ages of six and fifteen. These are the years between which theoretically a child should be in school, but it was manifestly far beyond our resources to organize and give instruction to 1,200,000 children. There were, four years ago, only about 100,000 children attending schools, and hardly enough teachers, buildings, and equipment to give instruction to this number. Consequently, a far more modest effort than the usual eight years of primary instruction had to be made. It was felt that three years was the minimum of instruction which a child should receive, and it was felt also that if he got this much and got it during the most receptive years of his childhood, his illiteracy would be broken and the foundation would be laid for a new sort of life for him, and a new social order for the archipelago. Consequently, a primary course of three years' instruction was organized, embracing three years of English, two years of elementary arithmetic and one year of geography. Our calculation showed us that our course of study narrowed to these limits, there were about 400,000 children awaiting our instruction—or, expressed differently, if we could secure and maintain constant attendance at school of 400,000 children, we would be able to give these three years' instruction to all. The years of a child's life when it was best to give him the instruction, we believed to be from nine or ten to twelve or thirteen years. It was apparent, however, that if this work was to be done, it had to be done, despite the difficulty of language, by native teachers. Not less than 6,000 teachers

would be required, and the force of American teachers in the islands was less than one-sixth of this number. American teachers had then been in the islands about two years, and considerable progress with a limited number of students had already been made. A radical change in the work of the American teacher was accordingly decided upon. About four hundred men were selected and designated as district supervising teachers. Each province was divided into districts embracing sometimes one, and more often two, three or four towns. An American teacher was made responsible for the organization and for the school-work within each district. His tasks were, as representative of the bureau of education, to secure the funds for building and opening barrio schools, to organize these schools and get them going, to select from his own classes the brightest and most available young people, set them at work as primary teachers, and secure from municipal funds, under the approval of his superintendent, money to pay them salaries. A campaign of education, moreover, had to be conducted; schools in the barrios and schools for the humble, unenlightened peasantry were a new conception, and it was essential to have the support of the municipal authorities and of the people themselves. Thus the work was outlined in the fall of 1903, and was pushed with the utmost zeal, courage and intelligence by superintendents and supervising teachers. In hundreds of cases the peoples of the barrios were interested to put up school buildings on the promise that when such buildings were completed a teacher would be furnished and instruction opened. Hundreds of such humble institutions began to appear in all parts of the islands. School attendance began rapidly to multiply. In the month of September, 1903, the enrolment amounted to about 182,000 pupils; at the close of the school year in the following March the figure had risen to 227,600. Shortly after the opening of the next school year in April, 1904, the enrolment had become 264,000. From this it went to 300,000, and while attendance was irregular the school year 1904-05 showed a total enrolment for the year of nearly half a million pupils, while in the school year 1905-06 an actual monthly attendance of 375,554 pupils was maintained.

Our first purpose, then, of getting into schools the one-third of the 1,200,000 children between the ages of six and fifteen years,

or all children between nine and twelve has been attained and the significance of this result is apparent, when I add that if we can maintain this result for six or seven more years, even though the extent of our efforts does not increase from the present standard, the result will be that there will be no illiterate young people in the Philippine Islands. The entire new generation will have received a minimum of three years of English instruction.

Brief as this course of instruction is, we are giving it to the population in the belief that it will make the future countryman a better farmer than his father has been, more anxious to own his farm, better able to learn and appreciate improved methods of farming and to husband his resources, to adopt a better standard of life, to build a better and more durable house than the *nipa* structure in which the great mass of the people live, to calculate the value of his crop when he has harvested it and to secure a fair price for it where he now is defrauded, to compute his liabilities, and so gradually get out of the condition of bonded indebtedness in which to-day, as we have seen, the mass of the population is sunken.

Brief as this instruction is, under the existing laws of the islands, it will nevertheless enfranchise its possessor, giving him a vote in the government of his town and province, and qualifying him perhaps better than any class at the present time is qualified for the direction of local public affairs.

Having gotten our schools built, having gotten our 400,000 children into school, let us see what we did for teachers. The Filipino teacher seems to me the most hopeful and significant result of all we have tried to do. It was early apparent that the Filipino child could be easily instructed, that the power of acquisition was there, but the great question was, can the Filipino be made a teacher of his own people? Can he take the subject-matter of instruction with which he himself is only slightly familiar, and himself impart it to his younger associates? In this matter our liveliest hopes have been more than justified. For service in our schools we have been able to take the pick of the young and rising generation as tested in our schools; young men and women, sometimes from the well-to-do, but far more often from the humbler classes, but eager, intelligent, obedient, extremely teachable and



really gifted in their power to impart. Their instruction has had to proceed hand in hand with their work, and this has been accomplished in two ways—by a teachers' training class, conducted usually each afternoon by the supervising teacher in each district, and secondly, by the teachers' institute, held for a period of not less than four weeks in each province every year. The corps has been rapidly increased in size, and at the end of the last school year it numbered 6,224, made up of 4,395 municipal teachers, appointed by the superintendents and paid by the town revenues, 1,442 "aspirantes," or apprentice teachers, teaching for the time being without pay, but doing the regular work of a teacher, and receiving the same instruction; and a small number, 324, who are paid by the insular government. Of all the forces developing among the Filipino people themselves, the growth in influence and character of this corps of native teachers seems to me to contain most of promise. The islands may be abandoned to other hands; the barrios schools may close and our children scatter, but these thousands of Filipino teachers, both young men and women, in whom the development of character has kept pace with the progress of their enlightenment will be an influence, which, under all circumstances, will abide.

A word should be said also as to our difficulties in financing this educational scheme. Our money is derived from three governmental sources, all of them in the islands—the insular government represented by the Filipino Commission, supplies us with a little more than half of our income; the municipalities, through a system of land tax and appropriation from general funds, afford us not quite as much more, while the provincial governments have made small, but rapidly increasing appropriations on behalf of high schools. For the year that ended last June our resources from all of these sources amounted to \$2,614,850. Especially as regards municipal school funds, great improvement has been achieved. This is due to the good business management of the school superintendents and the gradual increase of local revenues. In addition to the funds raised by taxation, there were voluntary gifts for school purposes, most of them going toward the erection of new school buildings, which aggregated in the school year 1905, the

sum of \$161,409. Most of this money came from the pockets of the very poor people and was given cheerfully and gladly that their children might receive advantages which they, themselves, had been wholly denied.

Besides the system of the primary instruction, two other types of schools have been developed. One is the intermediate school which follows the primary school and offers a boy or girl three further years of instruction. This instruction embraces English, arithmetic, geography, a year of Philippine history and government, three years of science (studies of plants, animals and human physiology) and in addition to these academic branches, each boy in an intermediate school has three years of instruction in agriculture or in shop work, or divides his time between these two branches. It is our intention as soon as the instruction can be organized, to offer a third industrial subject which may be taken in place of agriculture or tool work, and which shall be the study of the fisheries of the archipelago.

The girls on the other hand receive three years of domestic science instruction, which embraces the care of the house, cleaning, sanitation, etc., cooking, and the care of the sick and of infants. Thus the intermediate school supplies the course of study whereby we hope directly to increase the industrial efficiency of the people and to raise the standard of living generally. Well-equipped wood and iron working shops with departments for mechanical drawing, have been established in practically every province and some of the best of our new buildings have been for work of this character, while a large proportion of our funds have gone into their equipment and maintenance. Contrary to general expectations, no branch of our work has met with greater popular support or more enthusiastic approval from the Filipino people.

The Filipino is a natural craftsman, has an artistic sense and true eye and hand and delicate touch; the use of the tool is to him a pleasure and an art. Some seventeen American women teachers were engaged almost exclusively last year in giving instruction in domestic science. The immense usefulness of such teaching, the social gains derived from it, were instantly perceived by the Filipino people, and perhaps this instruction is the most promising

of all in the prompt and beneficial effects which it seems likely to produce. Intermediate instruction is being given now in about one hundred and twenty towns of the archipelago.

In addition to these intermediate schools, however, a still more advanced type is being organized as rapidly as the children are prepared. This is the *high school*, which, like our other educational institutions, departs radically from the typical American high school, but to which young men and women are admitted upon completion of the intermediate course. On entering they elect to follow one of four special courses; a general course in literature, sciences and history, a course in teaching, a course in agriculture, or a course in commerce. A fifth course in elementary technology will be added as soon as the demand increases and our facilities are greater. One of these courses finished provides a total of ten years' schooling to the young man or woman, a very liberal education in view of the social conditions in the archipelago. Three courses, and eventually four, it is expected, will fit the young man or young woman not exactly for a professional life, but for a distinctly useful vocation. In practically every province a large tract of land, frequently embracing a good many acres, has been obtained as a site for these schools and 36 high school buildings, ranging in value from \$10,000 to \$40,000 have already been constructed.

A final word remains to be said about the system of administration. This, like every department of the Philippine government, is a departure from the American type. In our school work there is necessarily very little of local authority. Each province constitutes a school division and at the head of the school work is a superintendent, who is appointed and assigned to duty by the director of education. This superintendent is held responsible for every detail of work within his division. He appoints and dismisses the Filipino teachers and fixes their compensation. He controls, either directly or through the supervising teachers, all school funds raised within the province and is responsible for their correct expenditure. Until recently the school superintendent was, moreover, the third member—the other two being a governor and treasurer—of the governing body in each province, the provincial board. The system has the advantage and deficiencies of every bureaucratic

system. If the force is animated by a good purpose, extremely rapid results can be accomplished by having the work so closely organized and a more general high average is attainable than where local authority is recognized. On the other hand, constant tact must be used, local advice and co-operation must judiciously be sought and respected, or else the ends of our work will be defeated.

The force of Americans in the bureau of education numbers at the present time, besides the office and administrative corps, forty-five superintendents and some 820 American teachers. Of this number approximately 600 are men and 220 women. Four hundred of the men are supervising teachers, and the rest, men and women, are teachers in intermediate and high schools, including the special branches of agriculture, shop work, mechanical drawing and domestic science. These teachers come from the best homes of America, and for the most part have the best university preparation. They come from all parts of the country, but a very large proportion is from the west. They have youth, enthusiasm, strength and courage all on their side. They give with a sort of lavish willingness the best of their physical and spiritual powers. I believe them to be the most remarkable and efficient body of young people that were ever united together for a common purpose in a work of the kind I have been describing. Success is due to the intelligence, the faithfulness and loyalty of the large body of men and women who make up the corps. These qualities exist in the American teaching force in the Philippines to a very high degree. There have been times of discouragement, there have been periods of dissatisfaction, but through it all the great majority worked hard and unselfishly for the purpose in view, and time has gradually sifted and shaped this force until it represents a body for the most part of splendid material, wise, high-spirited, trained and gifted, who know the Philippine Islands and the Filipino people as no other body of white people will ever know them again, who understand their work more intelligently and more thoroughly, and love it better, than it is frequently given to men and women to attain. More nearly than it has ever been possible before, these teachers have realized an accord between themselves and the people for whom and among whom they are working. They have brought

that better understanding between the races (an end so devoutly hoped and sought for) at least within measurable reach of attainment. They have shown us how one race may guide and strengthen another without self-interest or the employment of any but the noblest means.



## THE POSITION AND WORK OF THE ROMAN CATHOLIC CHURCH IN THE PHILIPPINES

BY THOMAS B. LAWLER, A.M.,  
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On a historic August morning in the year 1519 the church of Santa Maria de la Victoria in Seville, witnessed a ceremony that was not only of surpassing interest, but was destined to be of epoch-making importance. On that day the corregidor of Seville presented to Ferdinand Magellan the royal standard, and administered to him and to his companions the oath of fealty and obedience to the crown of Spain. This was the beginning of the great expedition of Magellan, than which probably nothing greater stands in the history of human endeavor. At the very dawn of the authentic history of the Philippines, therefore, the Catholic Church appears as a supporter of Magellan's great enterprise, and all the members of the expedition, including its great captain-general Magellan himself, were adherents of that Church.

On Sunday, April 7, 1521, after a voyage of endless hardship and suffering, Magellan cast anchor where, to-day, stands the flourishing City of Cebu, and the red and yellow flag of Spain was unfurled over the fair archipelago that she was destined to rule for almost four hundred years. It is a question whether Spain at this time fully appreciated the discovery of Magellan, as twenty years elapsed before any steps were taken toward the colonization of these islands. The expedition of Villalobos in 1542 ended in disaster, and once more two decades rolled by before the leader appeared who was destined to establish the rule of Spain on a lasting foundation. In 1571 the hour had come, for in that year the great Legaspi began the conquest of Luzon and laid the foundation of the capital of the islands—the City of Manila.

With Legaspi in his great enterprise were four members of the Order of St. Augustine, intrepid followers of the rule of the great bishop of Hippo. They were under the direction of Father Andres

de Urdaneta. As Legaspi and Urdaneta sailed across the bay of Manila that May morning in 1571, they saw at the mouth of the Pasig a native settlement. This settlement stood on the site of the present great City of Manila. The strategic value of the place appealed to the keen military mind of Legaspi and he decided to make it the seat of Spanish rule in the Oriental world. None the less did it appeal to Father Urdaneta as a valuable pivotal point whence he could bear to the native tribes the message of the Prince of Peace, and the truths of the gospel.

To-day on the Luneta in Manila stands a beautiful statue in memory of this auspicious moment. Legaspi, the soldier, sword in hand, and by his side Urdaneta, the missionary, with the cross raised on high, look out over the City of Manila and over the beautiful bay ending at the foot of the distant Mariveles Mountains. Before them waves in the gentle tropic breeze the Stars and Stripes, the flag of a nation that at the hour of their landing at this spot did not have within its confines even one solitary permanent settlement. Let us pause for a moment at that scene three hundred and thirty-six years ago, as Legaspi and Urdaneta draw toward that shore where the Pasig pours its flood of waters into the great bay of Manila. The task before Urdaneta might well have appalled the strongest crusader. Throughout the land before him were Malay tribes, steeped in the grossest ideas of a savage religion, and it required indeed an optimistic spirit to believe that the Malay stock would be amenable to the refining influences of the Christian faith.

Across the narrow sea to the west lay the great empire of China, with its hundreds of millions of inhabitants, paying tribute at the shrines of Buddha and receiving with reverence the ethical teachings of Confucius, while at intervals this land poured out a horde of blood-thirsty pirates to darken and devastate with fire and sword the lands around them. To the north were the Japanese preparing under the domination of the great General Hidoyeshi to annex Korea—a plan, it is interesting to note, not successfully carried out until a recent hour. In religious matters the Japanese were following in the footsteps of Gautama, the Buddha. To the south, the lands were filled with savages, who revelled in every form of idolatrous superstition and dark fetichism. What

a picture was this that met the mind's eye of the brave Augustinian on that eventful day! Did he falter? Not for an instant! Without a moment's delay he began the work of implanting civilization and Christianity. He and his co-workers preached the gospel, erected churches and hospitals, taught the peoples, and established centers whence civilization and religion might go out to the native tribes.

This expedition of Magellan and the religious auspices under which it sailed were part of the great exploring, missionary and crusading movement of the sixteenth century. This movement under the epoch-making activity of Spain, planted the cross in the isles of the Caribbean; under the lead of Columbus, in the highlands of Mexico, at the seat of the Aztec confederacy, under the intrepid Cortes; in the heart of the Peruvian Cordilleras under Pizarro, and in the Philippines under Urdaneta and his fellow-workers. I believe I am maintaining a safe historical position when I assert that it was not until within the past two decades that full justice has been done to the heroic endeavors of the Spanish conquistadores and missionaries. The work, for instance, of Bandelier and Bourne marks the dawn of a fairer day in historical criticism. With them as with Aeneas of old there is no distinction between Trojan and Tyrian.

While the Augustinians turned to what we may term parochial work, other Orders arrived to assist in the process of civilizing and converting to Christianity the native tribes. In 1577 arrived the followers of the gentle St. Francis of Assissi; the sons of Loyola—the Society of the Jesuits—came in 1581; six years later, in 1587, the Dominicans arrived and opened schools and colleges. As early as 1620, the foundations were laid of the University of Santo Thomas. This event happened only thirteen years after the first permanent English settlement in America at Jamestown. It preceded Harvard by sixteen years, and it was rounding out its one hundred and twentieth year when Benjamin Franklin founded the great University of Pennsylvania. The Resoletos arrived in 1606, the Lazarists in 1862 and the Benedictines in 1895. From Spain, too, came many secular priests to aid the religious orders, and far and wide the missionaries spread the truths of the Christian dispensation to the east and west from the confines of northern Luzon to the borders of Mindanao in the south.

It is not, of course, my purpose to give a history of the Church in the Philippines. The work begun by Urdaneta in 1571 waxed and grew strong with the ages. There, on the under side of the world, removed by thousands of miles from the homeland, far from the highways of men or the paths of vessels, the Spanish civilization was spread abroad, the natives were rescued from savagery and were taught the arts of peace and the truths of the gospel. So thoroughly was this work carried out that when the curtain rolled, so to speak, from before the Philippines in the last decade of the nineteenth century, the world saw this archipelago rising the sole Christian land in a sea of Oriental paganism. China, as four hundred years before, was still Buddhistic, Japan in the pride of a strong national life was establishing far and wide its native Shinto religion; the East Indians were still the slaves of fetichism, and storied India was still held fast in the iron caste system of Hindooism. In the Philippines alone of all Oriental peoples rose the spire of Christian churches, and from her hills alone reechoed the sweet song of the vesper bell. Surely we are glad to pay our little tribute of praise to the leaders that wrought such well-nigh miraculous results.

I am now led to the second part of my subject—the work of the Church in our Oriental possessions. That the mind of the East seeks the supernatural is manifest to the student of mental thought. This craving for the supernatural appears in every eastern land. We see it in Japan, where, on every hillside, at the entrance to any grove, one notes the torii that points to the humble Shinto shrine in the cool, sequestered glade within; we see China dotted with Buddhistic temples with their heaven-aspiring gables or see the stately pagodas, rising far and wide on hill and plain. In the Philippines, the people quickly threw off their ancient fetichism and embraced the Catholic faith. This faith animated to a wonderful extent the life of the people. They built churches and chapels; they received with fervor and zeal her sacraments.

In considering the social side we see that the state of the people was well-nigh patriarchal. In these islands nature poured her treasures with lavish hand. The Filipino needed not to enter the strenuous paths, nor did he. He heeded little the surging currents of the rest of the world as they ebbed to and fro. Hesiod or

Theocritus or Vergil could well have found here a new inspiration for songs of rural felicity.

De Comyn, who is acknowledged to be a disinterested writer, in his work entitled "State of the Philippine Islands" (p. 216), wrote a century and a half ago: "Let us visit the Philippine Islands and with astonishment shall we there behold extended ranges, studded with temples and spacious convents, the Divine worship celebrated with pomp and splendor; regularity in the streets and even luxury in the houses and dress; schools of the first rudiments in the towns, and the inhabitants well versed in the art of writing. We shall see there causeways raised, bridges of good architecture built, and in short, all the measures of good government and police, in the greatest part of the country carried into effect; yet the whole is due to the exertions, apostolic labors and pure patriotism of the ministers of religion. Let us travel over the provinces, and we shall see towns of five, ten and twenty thousand Indians peacefully governed by one weak old man, who with his doors open at all hours, sleeps quiet and serene in his dwelling, without any other magic or any other guards than the love and respect with which he has known how to inspire his flock."

Such is the picture drawn a century and a half ago by one who lived there for years, studied the land and the peoples. This was the result after two hundred years of the advent to these people of the Church with her message of Christianity to lift up their lives and hearts and hopes to communion with the Infinite. Few pleasures or diversions entered the life of the lowly Filipino in his humble barrio or village, and the message of the Church was a veritable Godsend. Around the church centered the life of the people. Each child celebrated the day of his patron saint rather than his natal day; the titular feast of the village church was marked by the gathering of the people from far and near. Round the church booths were erected where a miniature fair was established. For nine days religious devotions led the people to the altar where they listened to the gospel and partook of the sacraments; at birth and at marriage, in sickness and in death, they sought in the Church consolation and support and regeneration, and they did not seek in vain. Not only in spiritual, but in temporal or social things did the clergy minister to their needs. They opened schools and



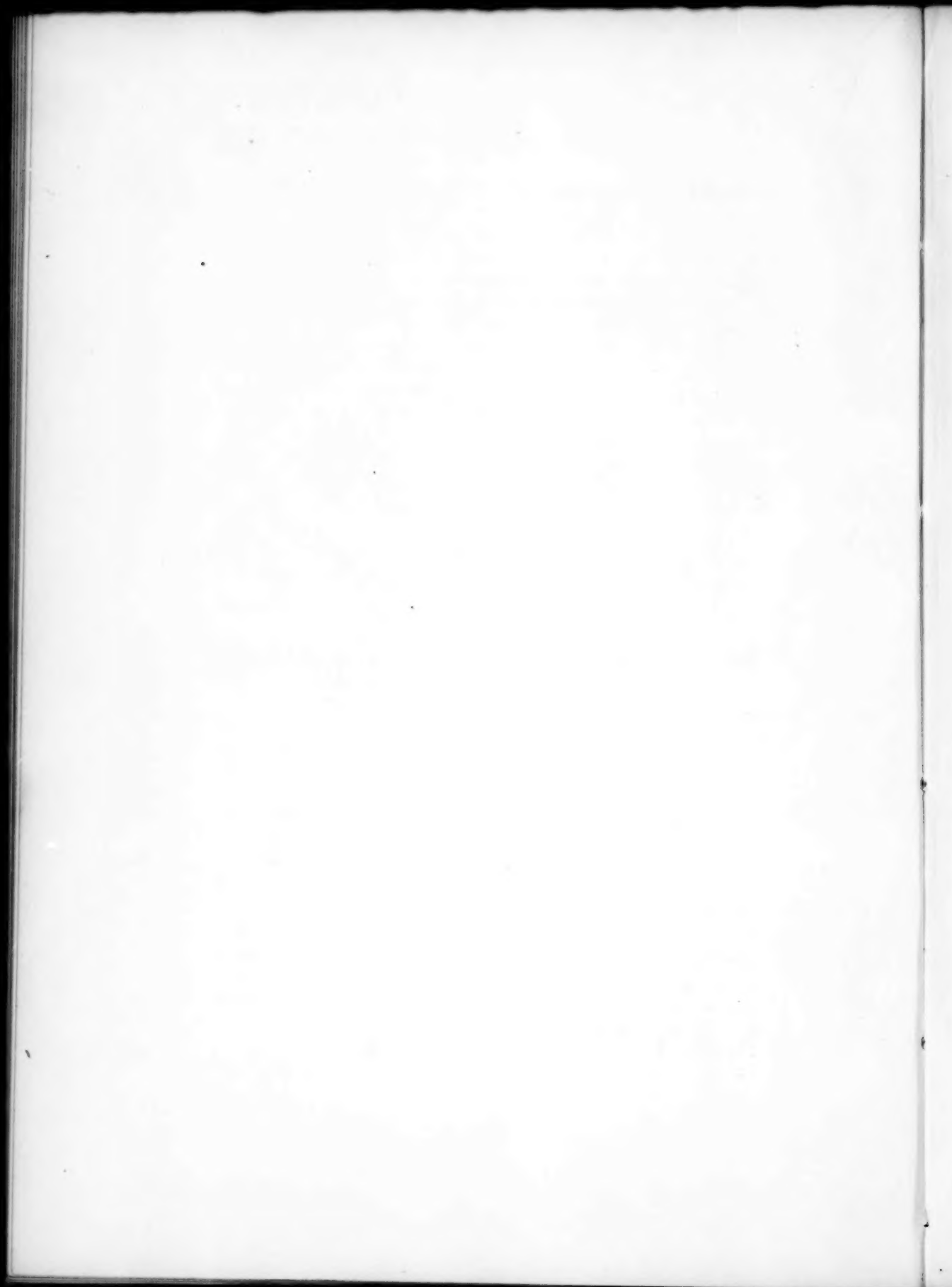
founded hospitals. They taught the natives the elements of carpentry, of bridge building, of weaving, of pottery, of wood-carving. They learned the native dialects and wrote grammars and dictionaries, and preached to the people in the native tongues. They introduced the culture of rice, developed the cultivation of coffee and indigo, and brought from the new world cocoa and sugar cane. In a just measure they introduced the small holdings of land, and it is probably due to them that the system of foreign land-holding corporations did not secure the fields and establish a peasant serfdom.

Such was the condition of the islands when the clouds of war rolled across the scene in 1898. At this time it is estimated that there were about six and one-half millions of Christians. To minister to their religious needs there were about sixteen hundred and fifty priests, including both the religious orders and secular priests. In other words, there was throughout the archipelago one priest to every four thousand people, showing how active must have been the life of the pastor to minister to a flock of such dimensions and covering so wide an area.

When the smoke of battle at last cleared in 1901, and we looked on the Philippines in their lovely setting in the tropic seas, it was indeed a picture of desolation that often presented itself. War had spread through the archipelago and had left in its train the horrors that ever mark that demon of destruction. Speaking as I am of the religious condition of the islands at this time, we see churches ruined and the clergy swept from the altars by the onward rush of war. Very many of the clergy were driven into the large centers and the population was without ministrations or guidance. The flag of Spain had been lowered and a new era was already at hand. Other fields soon called the members of the Orders, who, in large numbers, left the islands, where, from their young manhood, they had worked among the people. Scarcely three hundred remained, one-fifth of the earlier number. Certainly the position of the Church was such that its upbuilding was a task that called for heroic effort, and that effort was soon forthcoming. The four vacant episcopal sees were soon filled by American bishops and recently another diocese has been filled by the consecration of a Filipino bishop, the first native priest probably ever raised in the islands to the episcopacy. The Church is re-

established and peace reigns under the flag that means equal rights and justice to all.

As a factor in the social as well as the religious life of the Filipinos the Church, therefore, holds a unique position. From this social viewpoint one of her contributions to the civilization of the Filipinos is the work of preparing the people for the maintenance of an orderly, progressive, and just rule. Her influence and contact, so omnipresent in every step of daily life must develop respect for constituted authority, for the rights of life and property, for the sanctity of the home with the resultant uplifting of the social fabric. This uplifting makes for the amelioration of the condition of the lowly, for brotherly sympathy of rich with poor, of the upper with the lower strata of society, so to speak. It will be most important in preparing the Filipinos for whatever measure of self-government the broad and kindly judgment of the American people shall decree. We certainly need every aid to carry out our good purpose and none will be more vital as a social factor than the Catholic Church and her institutions.



PART FOUR

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*Legal and Political Problems Affecting  
the Dependencies*

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THE FINANCIAL DIFFICULTIES OF SAN DOMINGO  
**BY PROFESSOR JACOB H. HOLLANDER,**  
JOHNS HOPKINS UNIVERSITY, BALTIMORE, MD.

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NATURALIZATION AND CITIZENSHIP IN THE INSULAR  
POSSESSIONS OF THE UNITED STATES  
**BY HON. PAUL CHARLTON,**  
BUREAU OF INSULAR AFFAIRS, WASHINGTON, D. C.

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THE ADMINISTRATION OF A PHILIPPINE PROVINCE  
**BY HON. DANIEL FOLKMAR,**  
FORMER LIEUTENANT-GOVERNOR FOR BONTOC, P. I.

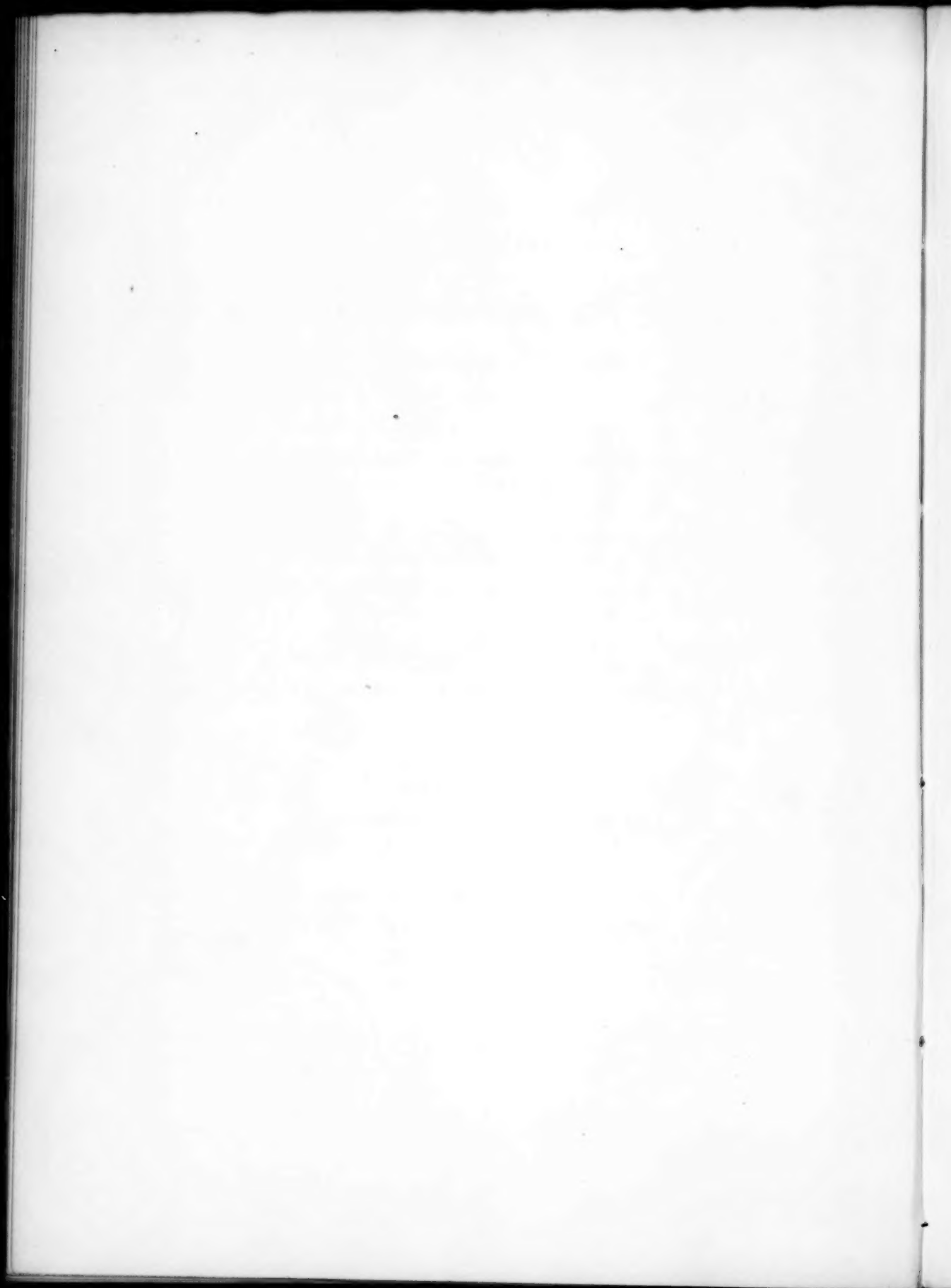
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A BUREAU OF INFORMATION AND REPORT FOR THE  
INSULAR POSSESSIONS  
**BY HON. HERBERT PARSONS,**  
NEW YORK.

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THE PROBLEM OF THE PHILIPPINES  
**BY LOUIS LIVINGSTON SEAMAN, LL.B.,**  
NEW YORK CITY.

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## THE FINANCIAL DIFFICULTIES OF SAN DOMINGO

BY JACOB H. HOLLANDER, PH.D.,

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Treasurer of Porto Rico and Confidential Agent of the  
United States to San Domingo.

The growth of the debt of San Domingo has an intricate and involved history. If, however, attention be turned from the mass of complex details to the underlying forces which have reduced the republic to its condition of sodden bankruptcy, the whole matter becomes astonishingly simple.

As it now exists the debt of San Domingo is, essentially, the result of three elements, viz.: The periodic accumulation of current obligations in consequence of revolutionary disturbances and civil disorders; (2) the extravagant terms upon which such temporary loans have originally been obtained and have been subsequently funded; (3) the chronic default in the service of the debt, funded and floating, and the consequent rapid increase of principal.

It is possible to point out certain other occasions which have given rise to the contraction of indebtedness, such as the construction of the Puerto Plata Santiago Railroad, the erection of a few wharves and public buildings, the purchase of two unimportant gunboats, and the settlement of indemnity claims; but, all things considered, the number of these is few and their aggregate importance is relatively slight. In the three occasions for debt accumulation enumerated above—to a further consideration of which attention is now invited—the history of the Dominican debt is essentially comprised.

It is an obvious commonplace to speak of political instability as the keynote of the financial collapse of San Domingo. But this is, after all, the alpha and omega of the situation. In the brief intervals during which the country was not threatened by, or actually in the throes of, revolution, a disproportionate part of the public revenues were applied to the purchase of war supplies and the maintenance of a rag-tag soldiery, leaving other parts of the budget to accumulate in default. At other times the amounts so expended

virtually absorbed all available funds. Thus, in the fiscal years 1903 and 1904 "military and naval" expenditures formed 71.7 and 72.6 per cent, respectively, of the republic's ordinary disbursements.

It should be clearly understood at the outset that a Dominican "revolution" bears as little resemblance to what the American mind understands by the term as do the Dominican "generals" who figure therein correspond to the similarly named officers of our own military establishment. It is not in any sense a popular uprising, wherein a mass of people, inspired by love of country or liberty, seek to overthrow or reconstruct an existing government. The phrases "patria" and "libertad" figure abundantly in the pronunciamientos of every insurrectionist leader; but their significance is absolutely nothing more than as rhetorical expletives and claptrap equipment. A Dominican revolution might be briefly defined as the attempt of a bandit guerrilla to seize a custom house. In the background, acting as a moving force, will ordinarily be found a political malcontent, ambitious to overthrow the dictator president in power and to succeed in control, to his own profit. But the custom house and the insurgent chief are the real keys to the situation.

San Domingo, while nominally a republic, is even in constitutional form a highly decentralized government. For administrative purposes the country is divided into twelve provinces, each under a governor appointed by the president of the republic. Each governor is in command of the detachment of the national "army" stationed in that province and is also the head of a district provincial and, sometimes, indeed, of a municipal police. Theoretically the provincial administrations are organic parts of the central government. As a matter of fact, in consequence of the weakness of the central government and the difficulty of communication between the several parts of the country, each province has tended to become a virtually independent, semi-feudal principality. Appropriations for the expenses of the province are made nominally in the national budget; but, as a result of the chronic depletion of the national treasury and the almost entire dependence upon customs receipts, the expenses of the province were paid directly out of the proceeds of the custom houses located therein or adjacent thereto. Thus, the custom house of Monte Cristi paid the expenses of the Province of Monte Cristi; that of Puerto Plata, the expenses of Puerto Plata, Santiago and

Moca; that of Samana, the expenses of Samana, except the commune of Sanchez; that of Sanchez, the expenses of La Vega and Pacificador and the commune of Sanchez; that of Macoris, the expenses of Macoris and Seybo; that of Santo Domingo city, the expenses of Santo Domingo and the deficits in Azua and Barahona, the receipts from whose respective custom houses were ordinarily insufficient.

The strategic importance of a custom house in Dominican politics can now be better appreciated. So long as this prime source of public revenue continued in the hands of constituted authorities everything remained tranquil; the soldiers received their pay, the civil officials collected their salaries, and the governor garnered his perquisites. But the situation changed magically the moment control was lost of the custom house and the all-important source of public revenue cut off. The governor, if he were not already active in the insurrectionist cause, either fled in defeat or awaited overtures; the army deserted to a man to the new standard, and the civil service retired to cacao farming to wait until a new turn of the political whirligig invited emergence.

The natural history of a Dominican revolution was, therefore, something as follows: The machinery of the existing government, after running smoothly for a while, had begun to creak in consequence of clamorous creditors, disappointed office-seekers and personal grievances. Some political parasite or chronic malcontent—perhaps the last-ousted dictator-president of the republic—took the initiative. Occasionally, from his own private resources, much oftener through the speculative venture of a merchant lender, he secured money or credit, a part of which was immediately expended in the purchase and secret landing of fighting supplies. The particular province—if more than one, so much the better—where, in consequence of remoteness or personal unpopularity, dissatisfaction against the government seemed most likely, became the scene of conspiracy. If the governor of the province could be won over by promise or price, the revolution was forthwith an accomplished fact. If he remained unshaken in his loyalty the services were bought of one or more desperado chieftains—technically described as “generals,” or, if more modest, as “chiefs”—with feudal-like bands of followers attached, to whom this guerrilla service was as regular a business as cacao or plantain cultivation was to the bulk of the

population. A period of fighting followed, the issue of which was determined by the seizure of the custom house. If the custom house could not be taken, the insurrectionist army melted away by desertion; the funds on hand were exhausted, and no further advances could be obtained. The "general," with a handful of devoted followers, escaped to the mountains to carry on a desultory fight until he was induced by guarantee of personal safety and a grant of an "asignacion" to lay down his arms and "come in." If, on the other hand, the custom house could be captured and held by the insurrectionists, the pockets of the bandit leaders were promptly filled by advances from local merchants until the fortnightly steamer arrived with its heavily dutiable cargo. The revolutionist army grew in number and in loyalty, and here again the revolution was well under way.

Now, all of this was the work of a handful of men, and practically of the same handful. It is a conservative estimate to say that no more than a dozen political agitators have been, at bottom, responsible for the score of revolutions, successful and unsuccessful, which have cursed San Domingo during the past ten years, and that no more than forty insurgent chiefs have executed them. Indeed, the entire initial strength of a successful insurgent force was never more than a hundred ragamuffins. They prevailed, even to the extent of overthrowing the existing government, exactly in the same way that a brace of train robbers can in broad daylight hold up a whole company, or a few desperadoes can raid an entire town.

The people of San Domingo were the victims, not the constituents of such "revolutions." The average Dominican, and especially he of the countryside, is a quiet, peace-loving, law-abiding, moderately hardworking peasant. In many particulars he is a typical West Indian, with his petty vices of cockfighting and rum drinking, inclining to be "married," but not "parsoned," living in a rough shack, rearing a numerous progeny, owning a few cattle, pigs and chickens, cultivating a little patch of communal-owned land planted in cacao, tobacco or plantain, and working no harder than he does because a too bounteous nature has made it unnecessary for him to do so. He is hospitable and well-intentioned, and under ordinary conditions it is safer for a traveler to ride by day or night alone and

unarmed through even the most remote parts of the country than it would be for him in many rural districts of the United States.

The Dominican is superior physically to the ordinary West Indian peon, for his country is richer and his relative numbers are fewer. Underfeeding and anemia have not devitalized him, and he possesses every capacity of becoming a decent and prosperous peasant. That he has been prevented from becoming so in the past is because of the supreme travesty upon government under which he has been plundered and pillaged. In times of peace he has been crushed by a system of taxation wherein property and incomes are exempt, and the necessary consumption of the poorest classes—flour, beans, codfish, cotton cloth and illuminating oil—are burdened at least 100 per cent, enhancing retail prices often to three times their normal level. He groans under an annual expenditure, central and local, of at least two and one-half million dollars, of which the largest part has gone in salaries to the "army" and to professional politicians and their parasites, and much of the remainder has been wasted or stolen; while roads, schools and public institutions have been neglected. If he were wronged there was no justice to be had. If he were sick or in want he suffered as the dogs of the town. If he were stricken or diseased he festered by the wayside. He lived under a despotism, and as absolutely a malevolent one as our day and generation are likely to witness.

All this is in the infrequent intervals of peace. When the country was threatened with insurrection or actually in the throes of revolution the condition of the ordinary Dominican became well-nigh intolerable. He or his sons or his laborers, if he had any, were likely to be drafted into the government army or kidnapped into an insurrectionist band, or blackmailed by the threat of such procedure. His horses, cattle, donkeys—even his goats and chickens—would be stolen or commandeered in return for "vales" or evidences of indebtedness, which were as worthless to him as the stones on the ground. His houses might be burned, his fruit trees stripped, his fields pillaged, and he left prostrate and terrorized. This was the visible mischief. But perhaps even more important was the further indirect hurt which every succeeding Dominican revolution brought in its train, from the accumulation of more debt, the imposition of heavier taxes, the alienation of valuable conces-



sions, and the complete demoralization of whatever degree of the government survives.

With the actual appearance of serious revolutionary uprisings the whole financial machinery of the republic—if a scanty hand-to-mouth procedure can be dignified by that name—invariably broke down, and a bitter struggle for bare financial existence took its place. One or more custom houses were ordinarily threatened or actually in the hands of revolutionists, and the customs revenues, insufficient at best, became thereafter hopelessly inadequate. Anything like additional taxation at such a juncture was a device so futile as not to be entertained by even the most desperately threatened administration. Moreover, the slightest delay in the payment of an already insubordinate "army" meant prompt desertion to the insurrectionist cause, and further enlistment of men and purchase of supplies were possible only upon the basis of ready funds actually in hand.

To a dictator-president thus beset, borrowing was not only the easiest, but the only possible course. His hands were never tied by constitutional procedure, taking the form of a recalcitrant national congress or an articulate public sentiment. Nor was his conscience troubled at the effect of such a policy upon the present well-being or the future resources of the country. His one concern was to keep himself in control and to destroy or placate the insurrectionists. Accordingly, he had instant recourse to the merchant lenders of the country, and, with supreme indifference as to the terms of the loan or the amount and character of the securities, borrowed up to the last dollar that could be coaxed or threatened.

It will thus be seen that this class of merchant bankers have played an important part in the history of the Dominican debt. Representatives flourished, and still exist, in Santo Domingo city, in Puerto Plata, in Santiago, and in every commercial center of the island, ordinarily combining export and import with retail trade, and gradually extending their activities to landowning and money-lending. Almost invariably of foreign origin, and carefully maintaining for greater security their foreign citizenship or some equivalent connection, this small, more or less intimately associated body, have in large degree influenced such limited economic development of San Domingo as has taken place, and at the present time virtually control its commercial contact with the outside world.

Individually considered, this body of merchant lenders run the full gamut from high-minded business men, sensible of the country's resources and its legitimate opportunities, seeking fairly to develop their own affairs and driven to other courses only in face of peril to person and property, all the way to merciless, blood-sucking money sharks, whose opportunity has been the country's prostration, who have exploited every crisis to the fullest, who have, in the hope of resultant gain, sometimes provoked and certainly often made possible insurrection when it did not otherwise exist, and who, while apparently taking the gambler's chance and demanding the gambler's odds, have been careful to use loaded dice and sure manipulation.

Upon the outbreak of a serious insurrection, the ordinary procedure for the dictator-president in power—assuming, as we safely may, a depleted treasury—was to seek from his most favorably disposed merchant lenders immediate funds to maintain his soldiery, to enlist reinforcements, and to secure necessary supplies. For such funds he gave either “vales” (transferable custom house receipts valid in payment of export or import dues) or “reconocimientos” (evidences of indebtedness of treasury due bills). Such securities bore interest at a specified rate per month, or included in their face value the capitalized amount of such interest, or, most frequently of all, did both.

A Dominican insurrection or “revolution” was rarely fought to a finish. A certain point in the struggle once attained, both parties turned instinctively to a settlement. This ordinarily took the form of extending guaranties of personal safety to the insurrectionists, of appointing their surviving leaders to public office, of rewarding their military service by outright payments or annual pensions (“asignaciones”), and of recognizing the validity of indemnity claims for injuries, fancied and real, suffered at the hands of insurrectionists or of government forces. If the insurrection had any validity, the government, weakened though triumphant, showed no disposition to haggle as to the amount or terms of such obligations. They related to a remote and imperfectly realized future, and the troubles immediately at hand were urgent and absorbing. The ship of state sailed on, in serene unconcern of the mass of swollen, fraudulent debt left in its wake.

Indeed, the very cost of the insurrection, as well as the expense

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of suppressing or pacifying it, was commonly crystallized sooner or later into a government debt. The sinews of a Dominican revolution would naturally be supplied by the merchant bankers of San Domingo—sometimes animated by a laudable desire to rid the country of an intolerable tyranny; more often venturing the advance as a cold-blooded and deliberate speculation. If the insurrection were successful, such advances were always recognized and a handsome return accrued to the underwriters. Moreover, the newly constituted government was too weak, politically and financially, to repudiate the obligations issued by the administration just overthrown, especially if they had found their way, as they ordinarily would have done, into the hands of the very merchants from whom further advances must immediately be sought. If the insurrection were unsuccessful, the promissory papers issued by the defeated insurrectionists were carefully preserved by thrifty lenders until a new political crisis brought the unsuccessful aspirants again to the fore, when all past accounts were liquidated at extravagant rates.

Public borrowing by a country with the unsavory past and the uncertain political future of San Domingo must under all circumstances have been expensive. But the terms actually exacted and readily granted exceed all bounds, either of economic risk or of prudent financiering, and are as high a tribute to the rapacity of the lenders as to the mad recklessness of the borrower. This is as true of the funded as of the unfunded debt. As far back as 1869 the government contracted in the Hartmont loan to receive £320,000 in cash, and to repay an annuity of £58,900 for a term of twenty-five years, being £1,472,500 in all. In actual fact, bonds to the nominal value of £757,700 were emitted, and only £38,095 received by the Dominican treasury. In 1893 the government turned over to the San Domingo Improvement Company \$1,250,000 of 4 per cent sixty-six-year gold bonds—being the entire issue of the fifth funded loan—in consideration of the payment by the company of internal debts aggregating \$438,000 in gold. Similarly, in 1894, the sixth funded issue, being \$1,250,000 4 per cent sixty-six-year bonds, was delivered en bloc to the San Domingo Improvement Company in return for the extinguishment of internal debts to the amount of \$538,200 in gold. These transactions appear even more unfavorable to the Dominican Government when it is remembered that the floating debts thus discharged were already swollen by

excessive interest accumulation. In 1897 the French-Belgian bondholders consented to the conversion by the San Domingo Improvement Company, acting as the republic's fiscal agents, of their 4 per cent holdings into  $2\frac{3}{4}$  per cent obligations. But the entire benefit that might have been expected to accrue from this operation was lost to the Dominican Government by the incomprehensible issue of an additional £600,000 of the new securities, out of which the government received a bare £50,000 (\$250,000) in cash, and the remainder of which seems to have been absorbed in defraying the expenses and commissions incident to the conversion.

It is, however, when we turn from the funded to the unfunded debt that we come full face upon a high carnival of incredible usury and scandalous overcharge that differentiates itself only by slight distinction, if at all, from thievery and fraud.

Prior to 1888 we are told that the ordinary rate charged the government by the local "credit companies" for advances of current funds was 10 per cent a month. Under more favorable conditions the rate seems to have fallen to 5 per cent a month; but almost up to the present time the interest charge, commonly made by merchant lenders for advances to the government upon such reasonably safe security as transferable customs receipts, has been 2 per cent a month, compounded at brief intervals.

The rates paid for emergency loans, or for advances secured only by a pledge of public credit, must have been very much higher. The scanty treasury records throw little light upon the real character of such loans, and the obligations issued invariably mask the transactions by partially capitalizing the interest compensation in their face value. On June 30, 1897, a European firm made a contract loan of \$100,000 (400,000 marks) to President Heureaux—nominally to meet an overdue coupon upon the bonded debt, but which, it is claimed, was never so applied—at the rate of 2 per cent a month. On October 12, 1903, the principal and arrears of interest of this claim amounted to \$244,800. In 1897-1899, during the closing years of President Heureaux's administration, the Dominican comptroller's office or "contaduria" issued forty-six certificates of indebtedness in favor of Heureaux for funds alleged to have been advanced by him to the government. Of these, forty-one certificates of an aggregate value of \$1,025,246.12 bore interest at the rate of 2 per cent a month. As liquidated on March 2, 1901, the interest charge,

which had throughout remained in arrears, had accumulated to \$667,303.82, and at the present time it is estimated at \$1,713,931.90.

These illustrations are fairly typical of the current loans of San Domingo during the entire period under consideration. Such transactions can only be understood in the light of a government borrower void of every regard for the country's present or future well-being and struggling desperately for mere existence, to whom a public obligation was as meaningless as the value denomination which it bore, and, on the other hand, of a series of merchant lenders, sometimes bullied and threatened, at other times voluntary and deliberate, in the main rapacious, unscrupulous, and identified with the welfare of the country only as exploiters and speculators.

Excessive interest rates, chronic default in interest payments, and entire neglect of amortization must necessarily result in the rapid growth of the principal of the debt. The accumulation and compounding of interest in default have figured in the nominal growth of the San Domingo debt to a degree probably not less important than the two factors already considered. Unpaid creditors have taken some measure of comfort in the frequent liquidation of arrears of interest, and the full recognition of the validity of all such accumulations has been the ordinary condition of further advances.

The entire issue of the Hartmont bonds of 1869 (£757,000) was emitted, fairly or fraudulently, between 1869 and 1888, in return for an advance of £38,095 to the Dominican Government. Of the principal of the 1888 loan, £50,922 was retained to pay current charges upon the funded debt, and of the 1890 loan, a further amount of £51,822 for the same purpose. Practically the entire principal of the three issues of French-American reclamation consols in 1893-1895, aggregating \$4,250,000, and a further sum (£277,980) of the refunding 4 per cent bonds of 1897, were devoted to the discharge of current accounts, in which arrears of interest figured largely. Finally, of the  $2\frac{3}{4}$  per cent gold obligations of 1897, the sum of £101,750 was required for the discharge of interest in arrears of the consolidated bonds of 1893. In general, it may be said that the funding of floating indebtedness and the conversion of old into new bond issues invariably involved the capitalizing of very considerable arrears of interest.

The accumulation of the unfunded debt forms an even more



extraordinary, though, unfortunately, a less accessible, history. Certain details of this have been given in connection with what has been stated of the excessive rates of interest upon current obligations, and a few further examples may be cited. Thus, a floating debt converted on June 7, 1902, into 3 per cent securities of the consolidated internal debt to the amount of \$102,361.49 had its sole origin in a credit of \$15,970.24 in February, 1889, and, therefore, includes interest accumulations to the amount of \$86,391.25 for a term of thirteen years, or more than five times the principal sum. Two loans, to the aggregate amount of \$369,732.37, bearing interest at the rate of 2 per cent a month, were made in 1896 to the "regie" and guaranteed by the Dominican Government. Redemption payments were made with more or less regularity until 1900; but despite this the present nominal amount of the claim is \$812,505.79. The traveling expenses of a certain revolutionary propagandist in 1902-3 to the amount of \$6,857 were acknowledged with a bonus of 100 per cent, apparently regarded as interest compensation. Transactions of this nature are unusual only with respect to publicity, and their essential character is typical of a large part of the Dominican unfunded debt.

## NATURALIZATION AND CITIZENSHIP IN THE INSULAR POSSESSIONS OF THE UNITED STATES

BY HON. PAUL CHARLTON,

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In order that the political status of the inhabitants of non-contiguous territory under the jurisdiction of the United States, known as its insular possessions, may be fully understood, it will be necessary to make a short historical summary of the origin, progress, and present political condition of the persons resident within the United States.

Prior to the proclamation of the Declaration of Independence, all persons resident within the thirteen original states were subjects of the king of Great Britain. Upon the proclamation of that wonderful document they at once changed their status from that of *subjects* to that of *citizens* of each of the respective states within which they resided.

That the Declaration, as a political document, was one of the most remarkable ever produced by man has never been controverted, but that it was charged with inaccuracies and platitudes is admitted by all students of history. That these were patent, not only before the ratification of the Constitution of the United States in 1787-88, but even in the short interval of one year between the Declaration and the adoption of the Articles of Confederation in 1777, is evidenced by the discussions in the Confederate congress, and the opposing views of the statesmen of that day in the *Federalist*, discussing, as those papers did, all their basic principles and all the important theories of government upon which the constitution was to be founded. Then came the Ordinances adopted by the Confederate congress in 1787 providing a system of regulations, and a form of government, for the enormous Northwest Territory acquired by cession from England, which were to be applicable also to the states or territories which might thereafter be erected therein. Then followed the ratification of the Constitution of the United States in 1787-88, and a comparison of the Declaration with that

document will show to every student the manner in which the experience of ten years had proven the programme of the Declaration to be both inadequate and impracticable, while the congressional discussions and papers in the *Federalist* had clarified nebulous ideas and enabled the formulation of political declarations into the Constitution of the United States, under which, with but few amendments, the United States of America has advanced from a feeble band of colonial settlers stretched along the Atlantic littoral, full of dissension among themselves, jealous of rights and privileges, uncertain as to what the future of the new nation should be, into a sovereignty stretching from the Atlantic to the Pacific, and beyond and around the world, until no longer can it be said of England alone that on *her* flag the sun never sets, and that *her* drum-beat *only* encircles the world.

The prosperity and progress of this Nation is unexampled in the history of the world. Never before in the knowledge of mankind has a nation grown to be so great on such firm foundation, with no trace of overweening aggrandizement of political power in any body of its inhabitants; with full and uninterrupted enjoyment of every civil and political right, with freedom of thought and expression in every private and public activity of man; with ample and continuous protection to life, liberty and property, and no governmental or legal restriction to "the Pursuit of Happiness" so dear to the fathers of our republic, and so diligently pursued by their descendants to this day.

Such solidity, such expansion, such progress and prosperity, such security, and such promise for the future have been and will be largely dependent upon the protection which the government and its laws throw around the political status of the persons who constitute its population. From the beginning of our history jealous care has been taken to grant liberal rights of citizenship to persons legally entitled thereto, and to guard with equal care the acquirement and exercise of such functions by persons disqualified, from any cause, to exercise the same without jeopardy to our system of government and to its administration.

Prior to the ratification of the Constitution of the United States, there existed within our borders two forms of citizenship: that of the States, and that under the Ordinances in the Northwest

Territory. Upon the ratification of the constitution there came into being a new form—Federal, American citizenship—a thing so prized by each one of us that no inducement would cause us to relinquish it, and yet so incorporeal, and playing so small a part in our lives, and so little affecting the exercise of our rights, that it is a surprise on examination to find how small a thing it really is.

No citizen of the United States, as such, exercises the right of suffrage. That is dependent entirely upon his residence in a State of the United States; no citizen of the United States, as such, has any important legal right, redress for which is not provided for and guaranteed under state laws, except the right to sue in federal courts; no direct taxation supports the government of the United States, and instances might be multiplied and distinctions drawn which would call even more forcibly to your attention the really small part this most prized attribute plays in the daily life of each of us.

You will all remember the magnetic and dramatic effect which one of the earlier declarations of citizenship produced. It was that of the Apostle Paul, who, when at Jerusalem, surrounded and attacked by a turbulent and hysterical mob, replied to the centurion who asked the cause of the disturbance: "*Civis Romanus sum.*" He was a citizen of the imperial nation among a rabble of outlanders, dependents, subjects, in a land held under military occupation, and the magic of the power of imperial citizenship has never been more forcibly marked than in the effect this declaration made both upon the mob, the centurion and the governor. Thousands of miles from the central government, in the midst of a hostile population, a mere declaration of an humble subject was sufficient to secure him protection, consideration and redress. *That* quality of American citizenship exists as a *right* in each one of us to-day, and that right will be as fully protected under the United States as under the Rome of the Cæsars.

All persons resident in any sovereignty fall into one of three classes, showing their political status, as "*citizens*," "*nationals*," and "*aliens*."

A *citizen* is one who, within a particular state, possesses full civil and political rights. Such *citizenship* may be qualified by the conditions of sex, age, and mentality, and under such qualifica-

tions may include or exclude, on the one hand civil, as on the other, political rights. It has been said, in relation to American citizenship, that each citizen possesses "a homeopathically diluted dose of sovereignty." However this may be, never under any form of government has a citizen exercised so freely and fully the rights of individual sovereignty as in these United States.

Next after citizens, in the exercise of political rights, come persons who may be designated as "*nationals*." These are persons who owe allegiance to the United States, and are entitled to its reciprocal protection in their lives, liberty, and property, but who exercise no other function of citizenship, and are debarred from doing so until they comply with the requirements of the laws, state or federal, which confer the same. It has been observed, by an able writer, in relation to the status of such persons: "That term (*subject*), however, is one which is foreign to our legal system and alien to our train of thought. The term '*national*' fits the case more accurately, and bears with it no unpleasant inference of political inferiority or servitude to an individual."

In this class there remain only Indians in tribal relation, and inhabitants of non-contiguous territory under the jurisdiction of the United States; as inhabitants of the Philippines, Porto Rico and Guam; the third classification is "*aliens*," who are persons owing allegiance to one sovereignty, but resident in another.

Citizenship in the United States can be acquired in but two ways. By *birth* under the *jus sanguinis*, and by *naturalization*, under the *jus soli*. Under the law, all persons born within the confines of continental United States are citizens thereof, and this is true though they be born of parents, such as Chinese, or other Orientals who, if born out of the United States, can never acquire citizenship therein.

*Aliens* who are white, or of African or mixed African and white blood may, under the laws of the United States (Rev. Stat. 2169), become full citizens upon compliance with the naturalization laws of the United States.

It will surprise some of you, no doubt, to learn that inhabitants of non-contiguous territory under the jurisdiction of the United States may, in like manner, under the Naturalization Act, become citizens of the United States.



In order to become a citizen, it is requisite that an alien, two years prior to his admission, should renounce his allegiance to the foreign prince or potentate, or government of which he has been theretofore a subject or citizen, and declare his desire to become a citizen of the United States, and his intention of permanent residence therein. At the expiration of at least five years' residence in the United States, upon proof by witnesses, before a proper court, of his compliance with the law, such alien is given papers which entitle him to exercise all the political and civil rights of citizenship.

Until the passage of the naturalization law approved June 29, 1906, it was impossible for an inhabitant of the insular possessions of the United States to become a full citizen thereof, for various reasons, among which were the following:

Under the Treaty of Paris, in its Article IX, provision was made for the retention, by those who desired it, of their Spanish citizenship, and it was declared that all persons who had not availed themselves of this permission should, after the expiration of a fixed period, be held to have transferred their allegiance from Spain to the United States.

The Supreme Court of the United States in the Insular Cases has decided that the Philippines and Porto Rico have not, since the cession by Spain, constituted *foreign* territory, and also that such possessions are not *domestic* territory. These decisions left the inhabitants of the islands in an unfortunate situation, being neither "fish, flesh nor devil;" they were literally "men without a country" in the large sense. True, they were residents of Porto Rico or the Philippines, as the case might be; and, under the terms of the Treaty of Paris, and the respective organic acts, Porto Rican and Philippine citizenship were created. But neither carries with it United States citizenship. Furthermore, no provision has ever been made, either under the treaty or under any act of congress, for the naturalization of aliens resident in insular territory, as citizens of such territory, although such relief has been frequently sought, and is urgently needed.

In the endeavor made by insular inhabitants to obtain Federal citizenship, it was found impossible to comply with the *Federal* requirement of renouncing allegiance, because the only allegiance they

owed to the United States. The new Federal naturalization laws require applicants to go before the designated courts in continental United States, but no courts with naturalization jurisdiction have been erected or authorized either in Porto Rico or the Philippines. The relief granted, under the new law, while only partial, is still a distinct advance, and is stated and conferred in section thirty of the naturalization law of June 29, 1906, as follows:

That all the applicable provisions of the naturalization laws of the United States shall apply to and be held to authorize the admission to citizenship of all persons not citizens who owe permanent allegiance to the United States, and who may become residents of any state or organized territory of the United States, with the following modifications: The applicant shall not be required to renounce allegiance to any foreign sovereignty; he shall make his declaration of intention to become a citizen of the United States at least two years prior to his admission; and residence within the jurisdiction of the United States, owing such permanent allegiance, shall be regarded as residence within the United States within the meaning of the five years' residence clause of the existing law.

The practical result of this section is that an insular inhabitant, possessing the other qualifications of an alien, who has resided in any of the islands for a period of three years or more, may come to the United States, and by declaration that he desires to become a citizen of the United States, and to permanently reside within territory under its jurisdiction, may receive his *first papers*, and two years thereafter, upon proper proof to a court of requisite jurisdiction that he has complied with the provisions of the naturalization law, he may become a full citizen of the United States, and may thereafter choose his residence with the same freedom as any other citizen. This is somewhat less than the extension of the privilege desired by the insular inhabitants, and urged by those of us who are charged with the administration of their affairs, in that requisite jurisdiction is not conferred upon courts outside continental United States, but it is a distinct enlargement of political privilege, and a wise restriction upon its extension to peoples whose ability for self-government is still in the experimental stage.

In the history of our country, with relation to its various acquisitions of territory, *collective naturalization* had been granted to all inhabitants of ceded territory until the Spanish war. Such

was the case with the cessions of Louisiana, Florida, Texas and Alaska; in each of these cases the population was of a character and homogeneity which rendered it easily assimilable with the corpus of the population of the country. In like manner, though with differences that have created anomalies, on the annexation of Hawaii all persons who were citizens of the republic of Hawaii on the date of the formal transfer of sovereignty to the United States (August 12, 1898), were declared to be citizens of the United States and citizens of the Territory of Hawaii (Act of Congress, April 30, 1900, sec. 4). One of the anomalies consists in the fact that Chinese persons, born or naturalized in the Hawaiian Islands prior to the date of transfer, although excluded by the laws of the United States from citizenship, nevertheless, by this *collective naturalization*, have become full citizens of the United States.

There is ample precedent for the creation of the status of "*nationals*," in the action of France in the case of Algiers, and other familiar instances, notably that of India, where the character of the population, being Oriental, is fundamentally different from that of the sovereignty acquiring the territory and therefore unassimilable with the general body of sovereign citizens. While allegiance has been exacted, and protection granted, and civil rights guaranteed, no political status has been conferred, and it has not been the subject of observation or criticism, either on the part of such peoples, or in any international tribunal, that under such circumstances *full* political rights have been denied.

As an experiment in altruism, unexampled in the world's history, stands the conduct of the United States toward its insular possessions and their inhabitants. No other nation has ever acquired territory separate from it, without both the intention and the practice of aggrandizement. The declaration of war with Spain in April, 1898, was dictated by the sole purpose of mitigating and rendering impossible the conditions of government prevalent in Cuba, which were shocking to the whole civilized world, and against which the United States, by propinquity and territorial interest, was the only sovereignty which could, unopposed and uncriticised by neutral powers, intervene to relieve. With the result of such intervention we are all familiar, and an experiment which promised at first to be confined locally to the territory and people almost

touching our southern boundary, by an unforeseen and inevitable sequence of events, has included the acquisition of territory and the allegiance of peoples as widely separated as the poles, and as different in racial characteristics, in degree of development, material pursuits, and divergence in form of government, as it is possible for peoples to be.

The capture of Cuba, and the ending of the war, were followed there by the creation of a government and the turning over of the country to its inhabitants, in a solvent and orderly condition; in the hope that the experience of the past, and proper appreciation of the motives of the United States, would render it unnecessary for this country to again intervene to save Cuba, not from foreign oppression, but from internecine destruction. That hope has not been fully justified, and we are again in Cuba.

Quite different is the situation with relation to Porto Rico. Within one year after the ratification of the Treaty of Paris, an organic act, containing a form of government and a bill of rights, was put in operation for Porto Rico. Porto Rican citizenship was conferred upon its inhabitants; courts, both federal and local, were established within it; a form of government, with legislative assemblies, and a lower house, elective by the people, was created; free trade with the United States was established, and our great markets were opened to the productions of that island. At one point the experiment went too far, as events have shown. Trial by jury was conferred upon a population that had hitherto been ruled, *not* by law, but by a man. This was going too far, as has been seen, when it became effective in a population elated by the rebound, and accustomed to a subject state; one which neither by education nor experience was qualified for the exercise of functions of citizenship. It required some demonstration to prove that all peoples do not possess the self-restraint and character of mind which enables them to judge between their fellowmen.

Repeated effort has been made by the Porto Ricans to obtain *collective naturalization* as citizens of the United States, but the congress, in its wise judgment, has been unwilling to extend this privilege until the people by their local conduct of affairs have shown themselves, both deserving and *capable* of its exercise.

With relation to the Philippines, affairs have been conducted

on somewhat different lines. The organic act of the Philippines, approved July 1, 1902, containing a bill of rights, created a form of government in a commission which possesses legislative powers; courts, local to the Philippines; provided sources of revenue by taxation and customs; and a representative assembly, at such time as a census, necessary to fix the status, qualifications and number of electors, should have been taken, and a condition of general tranquillity should have prevailed for a sufficient period to give assurance of its continuance. The pre-requisites as to a representative assembly have been complied with. An electoral law has been passed. Elections will be held during the coming summer, and a representative assembly, in its nature analogous to that of Porto Rico, and constituting a lower house, will be placed in operation in the autumn of this year. This will create in large measure autonomous government for these islands, and will confer rights of citizenship heretofore as undreamed of by the inhabitants of those islands, as our administration of its affairs—with wisdom, forbearance, justice and probity—has been beyond any hope, except that wild desire for change, engendered in the mind of the Filipino (without either solidity of purpose, or ability to maintain a settled government), which animated revolts against the Spanish sovereignty prior to our occupation.

Complete systems of free, primary, and secondary education are provided for the whole population of these islands. Chosen youths, several hundred in number, are being educated within continental United States, in a generous way, at the expense of the Philippine government. No portion of any charge for the maintenance of government or its activities falls upon any citizen of continental United States, but on the contrary, instead of giving the products of the Philippine Islands free and open entrance to the markets of the United States, as is the case with Porto Rico, or instead of imposing a differential of 20 per cent of the Dingley tariff, as is the case with Cuba, with which we have much less governmental concern, an impost of 75 per cent of the Dingley tariff is placed upon every product of the Philippine Islands landing at our ports. That this is unjust, that it retards the material progress of those islands, that such retardation hinders the commercial development, and, therefore, the civilization of the inhabitants, is a matter too



often proven, before congressional committees in endeavors to obtain relief, to need any argument here. The statement carries with it the conviction.

The result will be that, unless such relief is afforded to the Philippines, the inhabitants of Porto Rico will long be qualified and have granted to them full rights of citizenship of the United States, before the Filipinos, languishing under this discrimination, even with the benefits of education and an autonomous local government, will have qualified themselves, in their national character, for such privilege.

The persons most nearly concerned with their administration and development, the persons who have devoted years of their lives, with self-abnegation and at a sacrifice, to the betterment of this race; who have, by personal contact, by observation, by wise government, qualified themselves better than all others to rightly judge of Philippine affairs, have publicly stated, on repeated occasions, that, unless present conditions are ameliorated, generations may pass before the inhabitants of the Philippines will possess the attributes and the qualifications necessary to entitle them as a people to admission into full citizenship of the United States.

That the programme which has been adopted in the government of the insular possessions of the United States has received the approval of the majority of the American people, is certain. That, in the matter of citizenship, there has been no deliberate unjust discrimination against these peoples, is as certain. What they shall become, how they shall progress, how quickly they will be developed to a point where amalgamation with continental United States, in greater or less degree, will produce no national disturbance, rests not so much with the *executive* administration of their local affairs, as with the relief and assistance which only the congress of the United States can grant.

As a whole, and in conclusion, since the acquisition of this territory by the United States in 1898, every rational method for the qualification of the inhabitants for the exercise of a measure of political right has been steadfastly and consistently pursued. Ability for citizenship comes either by inherited trait or by education. These peoples had no qualification by inheritance, and the programme of education has extended over such a short period of

time, with so many limitations and interruptions, that unless we survey in detail the progress that has been made, the results desired would seem to be indefinitely deferred.

In the nine years of our occupation and ownership, stable governments have been erected; security has been conferred on life, liberty and property; freedom of speech, and open courts above reproach, exist everywhere; popular education, free as in the United States, is available to every inhabitant; local laws and customs have been adopted unmodified, except as inapplicable to our theory of government. The peoples have been freed from exaction and oppression, sanitation has greatly diminished mortality and disease; stable titles to lands can now be obtained in all our possessions. Scientific research and practical work on industrial and laboratory lines have opened possibilities of commercial activity and agricultural development before unsuspected, and if timely relief is afforded by congress, and with patient effort these people are led and encouraged by education and example in lines of integrity, and order, and industry, such progress will be made, in the experience of living man, as will remove all thought of their being a menace to our institutions, and will constitute them valuable accessories to our national development.

## THE ADMINISTRATION OF A PHILIPPINE PROVINCE

BY HON. DANIEL FOLKMAR,

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In discussing this subject I shall speak mainly of unwritten administrative customs and practices in provincial governments. I shall hardly refer to laws, written rules and regulations enough to show their bearing upon the extra-legal. I shall describe what members of the Academy will not be able to read for themselves. I shall also speak mainly of the province I know best, Lepanto-Bontoc, although many of the details are characteristic of provincial government throughout the Philippines.

There are three kinds of provincial governments in the Philippines. Under the form of organization found in thirty-one of the thirty-eight provinces of the islands, the governor is elected and, therefore, of course is in nearly every case a Filipino. The provincial treasurer, a member of the provincial board, will soon be the only American representative in the provincial government proper. The third position on the board has recently been made elective, so that the majority will rapidly pass into Filipino hands.

Lepanto-Bontoc is one of the five provinces that are organized under a "Special Provincial Government Act" because they are found amongst less advanced populations. Lepanto-Bontoc is the northernmost province of Igorrotes. Here all the members of the provincial board are appointed. In Lepanto-Bontoc there is still, as under the old system, a supervisor, who is a member of the board.

The Moro province is adapted to the government of a wilder people, and is more independent in legislative and financial powers. I shall not take it into consideration in what follows. Neither can I give time to the consideration of the local municipal administration. This is where the highest degree of self-government in the Philippines is found.

The provincial government, standing between the municipal and insular governments, holds at present neither the place of our

southern county nor of our state. It belongs to a Spanish system rather than to the traditional American one. In other words, it is appropriate to a colonial form of government. The Philippine provincial government resembles that of an English crown colony, especially in provinces where the provincial board is appointive.

Where the governor is elected the government is still highly centralized. His election must be confirmed by the governor-general, and in many ways he is responsible to the central government. The majority of the provincial board in which he sits have been until recently appointed from Manila and were, therefore, Americans. The insular and not the provincial government has control for the most part of the finances; as regards the police, the governor's power is but slight. The constabulary force of the province is under an American officer, who is or may be the most influential representative of the insular government in the province and a decided check upon the governor.

In this respect there is a decided difference between the Spanish and the American form of provincial government, especially in the less advanced provinces. There is a complete separation of the political and the military functions. The governor is not a *Comandante* of a *Gobierno Politico-militar*.

There is also naturally a more complete separation of legislative and judicial functions from the executive, in accordance with American ideas. Much, however, has been borrowed from the Spaniards not, perhaps, because of a settled conviction that their way was theoretically the best, but because it was easier to operate administrative machinery already set up and with which the natives were familiar. More and more, however, one hears the expression in the Philippines, "The Spaniards were not all wrong," or, "They knew how to do some things better than we."

In order to understand all the administrative functions that are exercised within the limits of a province, we need to recognize certain purely insular officials. First, and in the most complete sense insular, is the constabulary officer already mentioned. It is not necessary to dwell long upon the work of the constabulary. In the nature of the case, as an insular force, the functions of its commanding officer are not always in harmony with those of the provincial government, and especially of a native governor. Friction often exists, and jealously, if not more serious trouble.

Making all allowance for unjustified criticisms upon the constabulary that might arise in such circumstances, it is still a matter of history that the commission has found it necessary to correct serious abuses within this body. They have been largely chargeable, however, not to the American officer, but to the native recruit. When Igorrote soldiers under an Igorrote or even an Ilocano sergeant patrol the country, or when they are sent out to make an arrest or to gather food supplies near at home, it is not surprising if they take food at times without pay or through extortion, secure it at unfair rates, if they are not guilty of more serious crimes against persons or property. A partial remedy of this condition has been found in appointing more American officers and dividing the constabulary of the province into smaller groups for closer supervision.

Other powers that reside in the insular and municipal governments rather than in the provincial are the judicial, and, for the most part, the legislative. Only in provinces of the Lepanto-Bontoc type are the provincial officials *ex-officio* justices of the peace. This function takes a large portion of the governor's time, especially in Bontoc sub-province where the lieutenant-governor is the only justice of the peace.

It must be said that in this sub-province, at least, the hearing of civil cases is not well provided for. The lieutenant-governor has no jurisdiction over the greater portion of cases that arise, namely those involving real estate. These generally relate to rice paddies, worth only from five to twenty-five dollars apiece, too small in value to warrant the time and expense involved in taking the cases beyond the limits of the sub-province to a court of first instance. The lieutenant-governor has, as his only recourse, to persuade parties, when he may, to accept him as arbitrator in their cases, or to refer them back to the primitive system of the Igorrote village council.

The most important legislative functions of the provincial board are those relating to finance. But financial legislation is for the greater part reserved to the insular commission. Provinces have been rather zealous in making appropriations for provincial high schools, in sympathy with the general enthusiasm which now prevails in educational matters from the insular government down



to the municipality. They are much more slack in constructing and repairing roads and public buildings.

Filipinos are not nearly so willing as Americans to work out their road tax or to pay it. The opposition is so great that the government has quite generally suspended this tax, as has also been the case with that on real estate. Local finances, as is well known, are in a bad way. One result has been the necessity of cutting down an already insufficient force of employees and replacing higher American officials by Filipinos more rapidly than might otherwise be justifiable.

While the system of accounting in provincial affairs is under very minute regulations from Manila, it appears much better safeguarded on paper than it is in reality. When great numbers of receipts, vouchers and other papers are to be signed by illiterate Igorrotes, who cannot understand the papers if read to them—and they are usually not read—the habit is easily formed of making things look right on paper rather than of making the paper correspond to inconvenient details. In some places the old Spanish custom persists of making payments to the headmen rather than individuals of a community for road work and other services. This is only one of the many opportunities offered a corrupt presidente to take a "rake-off." As regards the latter custom, however, improvement is rapidly being made.

In all administrative affairs, financial or otherwise, the higher officials are introducing more and more strictness as rapidly as can be expected in the development of a new form of government. On the whole, American honesty has made a deep impression upon the native official mind, and this in spite of many sad lapses in our ranks, perhaps an even deeper impression and a more salutary example because of the severe punishment inflicted upon American provincial treasurers by their own countrymen. In the Igorrote country at least one often hears a preference expressed for American rule as compared with that of the Spaniards or of the *Insurrectos*. It is largely for financial reasons. "Americans pay better for what they get," say the Igorrotes.

In one respect they themselves make it difficult for an American to live up to his principles. It has become ingrained into their minds that *regalos*, presents, must be given on every occasion to a visiting

American, especially to the higher officials. It would be decidedly impolitic to refuse these, for instance, when taking the first steps in the establishment of sympathetic relations with a new and semi-independent district. Yet the line must be drawn somewhere. It becomes a vicious habit if presents are accepted, even indirectly, from the parties to a law-suit. To the Igorrote mind it seems perfectly proper to expect to secure in this way more favorable consideration.

Passing to the division superintendent of schools and the teachers located within the province. They are insular or municipal employees rather than provincial, although the members of the provincial board have considerable to do with the keeping up of the schools. Indirectly, at least, the board will see to it that municipal councils make the necessary appropriations for this purpose. The governor in provinces of the Lepanto-Bontoc type has generally acted as division superintendent and in some cases has directed the municipal police to assist in getting children out to school. Although there is no compulsory education law in the islands, there is to an extent a sort of local option tacitly allowed in compelling at least a certain attendance.

Without going into details one may say that other laws which have given provincial authorities especial difficulty in enforcement, are those requiring the branding and registration of large animals, especially in Igorrote districts; wide tires on cart wheels; vaccination and other sanitary measures—although in general a large degree of success has attended the work of the health inspectors in the provinces; and laws against the cutting of timber upon public lands, and providing for the registration of lands, the acquiring of homestead rather than squatter rights.

There are several extra-legal activities of importance in which provincial officials have often been greatly interested, but in which success is mediocre. One is the encouragement of agriculture. Certain American governors, and notably Spanish governors, have secured by administrative order and persistent attention a large amount of coffee planting, for instance, in Igorrote districts. In Bontoc these plantations have nearly all been destroyed, the trees cut down, because during other administrations no care was exercised in the matter. This is only one example of the difficulty of getting

permanent improvement in a local government which is not responsible to the people unless the central government makes corresponding provision among the duties of the office.

The government of the sub-province of Bontoc may finally be spoken of as the most primitive in form, just as its people, the northern Igorrotes, are the most primitive in culture, of any in the islands. Three years ago there was no organized municipality in this sub-province nor were taxes of any kind assessed. The government was entirely supported from outside sources. Outside of the general civil and criminal codes, there was very little law that directly applied to the affairs of the sub-province. The lieutenant-governor had practically the entire government within his own hands, subject to a remote responsibility. He was told in so many words on entering upon his office that he would "have a free hand." The main law that controlled his administration over Bontoc Igorrote affairs was contained in one sentence of the law authorizing him "to appoint officers for their settlements, to fix the designations and badges of office of such officers, and to prescribe their powers and duties."

The provincial governor visited him perhaps two or three times a year, and the supervisor somewhat more often to look after roads; but the lieutenant-governor procured the labor, the supplies of food, the "cargador" service, and the like, from the natives. Recently, since the organization of a few municipalities, the treasurer and his deputies assist in the collection of taxes and the provincial board approves ordinances, but the lieutenant-governor still appoints the officials in unorganized settlements. In Bontoc sub-province, he is the only justice of the peace.

All that followed from the fundamental law of the sub-province was unwritten custom, borrowed in part from the Spanish system which preceded, but in large part originating as the need arose. The lieutenant-governor appointed presidentes and vice-presidentes in each of the fifty or sixty small towns of the sub-province, preserving for the most part their ancient forms of communal government. Usually he appointed officers who were nominated or chosen by the elders and the chief families of the community. In addition to their certificate of appointment they were given, as badges of office, what they prized more highly, a cane and a bright-colored coat.

These town officials, although unpaid, proved to be most efficient helpers of the government in getting many extra-legal duties performed by their townspeople. Something like the Spanish system of required service and tribute was continued, with the important difference that everyone received a fair price. Igorrotes seem perfectly satisfied with the simple proposition that every town must do its fair share of what is to be done. Accounts were kept, not with individuals, but with towns, on the basis of their population or rather the number of their houses. Each town during the year was to furnish a certain amount of work on the roads, and in other public improvements, as well as of lumber, of rice, of other supplies, and of *cargador* service, that is, of carriers for travelers and supplies. As yet there were no horses and hardly even bridle trails for this purpose.

A little later two of the most advanced groups of towns were organized into "townships" or municipalities. Bontoc township was given a different government from any other in the Philippines, its chief peculiarity being that there were thirteen *presidentes* instead of one. The lieutenant-governor acted in the place of *presidente* for the district. It was found impossible to secure the natives' acceptance of an ordinary district *presidente*, who would necessarily be a resident of one of the towns of the township, because his town and the rest had been but recently head-hunting enemies one of another. The form of government as finally approved in Manila also conferred upon the lieutenant-governor instead of upon the council of *presidentes* the law-making power. The council is in reality advisory and administrative in function.

In practice the most of the time of a lieutenant-governor is spent in his judicial capacity, in supervising the local administration of municipalities and unorganized settlements, in an effort to stop head-cutting, and in the conduct of a bureau of labor and supplies as just described. He is recognized as a father of the people in a very real sense. He may even occupy a place in their primitive religion, something which is simply unintelligible to the outsider.

Such an extremely patriarchal system, so unlike the institutions of America, has, one is tempted to say, but one effective guarantee of good government. That is, character. The possibilities of such a system for good or evil are immense. The insular government

is far away, and cannot keep constant watch over the work of the lieutenant-governor. It cannot, either, be properly held responsible for all that he does. It cannot know, at least before the occurrence. For there are times when the man on the spot has dared, instead of shifting the responsibility upon the government, to figuratively "cut the wires," if one may use a phrase which was current in the early days in Samar. Perhaps unconsciously the commission stands towards its agent who is on the outposts, as some foreign colonial governments are said to do, in an attitude where it can reap the advantages of his successes, but disown his mistakes.

To sum up, in the Igorrote country, as in the Moro province, is seen what may be called a tendency towards a more paternal if not a military form of government. In the great majority of the provinces, however, those of more advanced peoples, the tendency is towards greater freedom. Rapidly the highest officers have been turned over from American to native hands, and the Filipino is enjoying an opportunity to train himself in the administration of provincial affairs, such as he never had under Spanish rule.

All is in line with President Roosevelt's principle, "A government by Filipinos aided by Americans," and with the phrase attributed to Governor Taft, "The Philippines for the Filipinos."



## A BUREAU OF INFORMATION AND REPORT FOR THE INSULAR POSSESSIONS

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BY HON. HERBERT PARSONS,  
Member of Congress from New York.

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By law there is not, but there should be, a bureau of information and report for all our insular possessions. The bureau of insular affairs of the War Department, so ably presided over by General Clarence R. Edwards, assisted by Captain Frank McIntyre, is a bureau of information and report for the Philippine Islands. It handles their interests here, makes their necessary financial arrangements, compiles statistics in regard to them, cares for their students who are being educated in this country, and looks after the purchases that must be made here. It has divisions of correspondence, records, compilation of statistics, accounting, and purchasing and disbursing. He who would get assured facts in regard to any matter in the Philippines can ascertain them from this bureau; from it he can learn the progress made on the new railroads in the Philippines; the prospects of capital being invested in the agricultural bank in the Philippines; conditions in regard to banking, currency and finance, the amount of seigniorage, and what is being done with it; of the education system and its extent, and of the Roman Catholic Church in the islands, and the schismatic church. Upon inquiry he can ascertain within a few days the number of depositors and amount of deposits in the postal savings bank. The member of congress finds that bureau devoted to the interests of the Philippines, actuated by one motive alone—that of the Philippines for the Filipinos.

Thus a great service to this, the home country, and of potent usefulness to the Philippines is the bureau of insular affairs.

How fare our other insular possessions? Have Porto Rico, Hawaii, Guam, Tutuila and the Midway Islands a similar entity in Washington to inform the country and the legislators of their needs and prospects, and push for and secure the legislation and appropriations they require? No, they have not. They are orphans

without any sympathetic bureau to assist them and their representatives. No one of these other possessions has by legislation, directly or indirectly, any relation to the bureau of insular affairs. The governor of Porto Rico reports to our Secretary of State, the attorney general of Porto Rico reports to our Attorney General, the treasurer and auditor to our Secretary of the Treasury, the commissioner of the interior to our Secretary of the Interior, and the commissioner of education to our Commissioner of Education. The governor of Hawaii reports to our Secretary of the Interior. The officers in charge of Guam, Tutuila and the Midway Islands are not by law required to make any reports at all.

This parentless condition is a handicap on proper legislation. A year ago Governor Winthrop, of Porto Rico, was anxious that the Porto Rican government should be given power to deal with its water-front, so that the dock facilities of San Juan could be increased. I needed information and sought for some government bureau or official in Washington who would have knowledge of the legal and practical situation sought to be remedied. There was none to be found. It was necessary for Governor Winthrop himself to come here to explain the condition and the need, and push the legislation. The commissioner from Porto Rico was, of course, of assistance, as he is and always will be. But the representatives from our possessions coming here in a legislative capacity, cannot be expected to bring with them, at their own expense, bureaus of statistics and information, and furnish inquirers the facilities which the bureau of insular affairs affords in the case of the Philippines. They can agitate, but for facts and for sympathetic advice and aid, they too, need a department or bureau of the government, just as legislators interested in the Indians need the Indian bureau for information and assistance.

I understand that the commercial interests of Hawaii have been considerably handicapped by her helpless condition, and that the rapacity of our other governmental departments, desirable though it may be, has been such that they have acquired most of the available water-front there simply because there has been no bureau here to look after the interests of the islands and upon which the authorities and merchants of Hawaii could call to speak in their behalf. Who knows aught about Guam, Tutuila or the Midway Islands?

And yet if we are to possess them we have the sacred duty of providing them the best of what they need in various ways.

In practice these possessions do appeal to the bureau of insular affairs, and so kind-hearted are its officials that they do lend assistance. On the other hand, they are fearful lest their interest unrequired by law, be mistaken for a desire to aggrandize their own importance.

One of our officials most experienced in government in the insular possessions, mindful of the unhappy condition of Porto Rico in this regard, called my attention to the situation and sent me a bill, which I introduced at the recent session of congress. The official was Assistant Secretary of the Treasury Beekman Winthrop, until recently governor of Porto Rico. The bill was entitled, "A bill to secure a better system of report and accountability by the government of the Insular Possessions of the United States," it reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all reports now required by law to be made by the executive officers and other officials of the governments of Porto Rico and Hawaii, respectively, to a departmental executive officer at Washington, and copies of all reports now required by law to be made by the aforesaid executive officers and officials to the President, shall hereafter be transmitted, through the bureau of insular affairs, to the Secretary of War, who is hereby empowered to require such additional reports from the officers and officials named as he may deem necessary.

Sec. 2. That the officers in charge of the administration of affairs in Guam, Tutuila, and the Midway Islands, respectively, shall hereafter make report through the bureau of insular affairs to the Secretary of War, who is hereby empowered to require such additional reports from the officers named as he may deem necessary.

President Roosevelt recommended it in substance in his message of December 11, 1906, on Porto Rico, using the following language:

All the insular governments should be placed in one bureau, either in the Department of War or the Department of State. It is a mistake not so to arrange our handling of these islands at Washington as to be able to take advantage of the experience gained in one when dealing with the problems that from time to time arise in another.

Governor Winthrop said of it:

Such a measure would be helpful in providing an office which could furnish information without delay to officials and others interested in the

affairs of Porto Rico, Hawaii, etc., and would also afford the officials of one of our insular possessions a better opportunity to benefit by the experience gained in the others. By this means, also, a uniform policy of administration would be insured, the value of which, of course, cannot be overestimated.

The bill had the sympathetic approval of Secretary Root, Secretary Taft, the Honorable Tulio Larrinaga, Resident Commissioner from Porto Rico, and Congressman Hamilton, the chairman of the House Committee on Territories. It was favorably reported by the Committee on Insular Affairs of the House of Representatives, but at so late a date in the session that it was impossible to procure its passage unless there was to be no opposition. Investigation showed that there would be opposition.

Two objections were suggested. One was against such a bureau in the War Department. To some this might appear a valid objection, on the ground that to keep it there marked our policy towards our dependencies as military. But consideration will show that this argument has no substance. The reason for the bureau's development as a bureau of the War Department was a natural one. Our first occupation of these dependencies was a military occupation. The administration of civil affairs within them was necessarily at first a military administration. These dependencies were tropical. They brought up a variety of questions unsolved by any of the departments, divisions or bureaus of the government. There was no governmental subdivision to which they would naturally go for solution. The military having the responsibility, it came as a matter of course that in the War Department, a body of experts should be developed to handle the questions as to detail and originality. This does not mean that the experts were military men. Most of them were not. But it was in the very nature of things that the bureau of insular affairs grew as a bureau of the War Department. This tendency was not a new one. If I am correctly informed, the growth of the colonial office in England happened in much the same way, and that office there was originally a branch of the British War Office. It is not necessary that the bureau should be a bureau of the War Department but, in present conditions, it is desirable that it should be, so that it can have the advantage of the wide experience, great energy and sympathetic

attitude of such men as Secretary Taft, General Edwards and Captain McIntyre. It is a transferable entity and its location is a matter of practical convenience.

The other objection was that it involved a policy of centralization, would lead to a bureaucracy of colonialdom, and would tend to retain these possessions in a dependent and colonial position instead of relieving us of responsibility for them. That such governmental arrangement has ever been the cause of colonial government, few will believe. It has not prevented England from giving self-government to many of her colonies. On the contrary, it has helped to make England a benefactor in government, in many regions of the earth, and to develop a colonial officialdom of the highest personnel.

Although the bureau of insular affairs is by law limited to the affairs of the Philippine Islands, it has as a practical matter been called upon for service in Santo Domingo and in Cuba. The success that we are attaining in Santo Domingo and in Cuba, is due in no small part to the fact that we have a bureau of insular affairs with an experienced personnel. Governor Magoon, the governor of Cuba, was for many years the law officer of the bureau. The men who will assist him in taking the census of Cuba that will be preparatory to the Cuban elections will be men from the bureau of insular affairs. The men who were sent to Santo Domingo to administer its customs were men from the bureau of insular affairs, familiar with the work to be done because in the early days of the bureau's organization the customs of Cuba, Porto Rico and the Philippines were its principal work. Relieved of the affairs of Cuba on May 20, 1902, it has, not by law but by arrangement, had to do with them since September 29, 1906. On May 1, 1900, its duties in regard to Porto Rico ceased, but this year we find the governor of Porto Rico urging that it be made to take them up again. If there are any disadvantages by way of centralization in such a bureau of information and report, they are altogether outweighed by the advantages to us and to our possessions. For many years France maintained a policy of assimilation in French colonization. The various departments of the government had their colonial branches. This was encouraged by the colonial members of the home legislature. It increased their prominence



and afforded them political profit by way of patronage and strategic position. The general interest of the colonies, however, was not aided by this policy. The inefficiency of the arrangement led the French government in later years to provide a separate ministry for the colonies, and thus to curtail the policy of assimilation.

We have seen how naturally the bureau of insular affairs grew up as a bureau of the War Department, and how, while the military were still in control, it was a bureau of insular affairs for all our insular possessions. When it came to legislation and theorizing, other arrangements seemed possible and even logical. The bureau of insular affairs was deprived of responsibility or power in regard to Porto Rico, and Porto Rico's various department heads were, by legislation, made to report to various department heads here. This was a pretty theory, like the French theory of assimilation. It offended, however, against two principles that apply to the inner workings of government and was an instance of how theory must give way to experience as a truer guide. In the first place, such assimilation and such distribution of the interests of Porto Rico amongst the various departments of the federal government necessarily presumed that the departments would be familiar with the questions that arose. But they were not. There is a waste in acquainting the necessary number of officials in each department with the questions and conditions in dependencies. And to deal with a matter in far-away Porto Rico or Hawaii as against a matter in one of our own states or territories, whose conditions are so much better known, is to deal with the latter first, and with the former last, putting off the affairs of the far-away ones until the convenient season which never comes. The questions and conditions in the far-away possessions must in the end be solved by the officials there. What is needed here, is a bureau of information and energizing force. The other principle which was offended is the one that what is everybody's business is nobody's business, and that unless you place the responsibility and interest in a particular department of the government, which will see to it that needed legislation and appropriations are obtained, little or nothing will be done.

The ways in which a bureau of information and report can be of service to our possessions and to us, are illustrated by the value

of the bureau of insular affairs to the Philippines. That bureau has, in the first place, created a body of men familiar with conditions there, with the problems that confront us and, to a certain extent, the solutions offered in similar dependencies of other countries. It has provided a place where the legislator can go for accurate information. It has established in the general government a responsible subdivision to which the governments of dependencies must report, a bureau which, by its very being, places a duty of report and accountability upon the governments of dependencies, and is notice to them that there are experts here who will scrutinize the actions of the officials in the colonial possessions. Lastly, and as it seems to me most importantly, it has created a means through which those dependencies may have their wants in the home government and in the home land looked after. In an earlier part of my remarks, I have instanced the aid the present bureau has been to the Philippines in matters affecting them, that are not connected with legislation. Porto Rico needed such aid in making helpful financial arrangements. As to legislation, outsiders do not realize to what an extent legislation is special, and is the result of urging, by special interests, financial, philanthropic, and personal. Certain matters come up by way of routine; some come up by way of originality on the part of the legislator, but most come up as the result of pressure from the outside. One of the strongest kinds of pressure is that from philanthropists, and from enthusiasts. A bureau of insular affairs is, as you may judge from the bureau of insular affairs for the Philippines, a bureau that would develop enthusiasts, whose enthusiasm would lead them to agitate and educate until the just wishes of those whose responsibilities they bore were met. We have fortunately provided for delegates to congress from Hawaii, Porto Rico and the Philippines. But we need more than them. We need, to inform us, aid them, and energize us, a permanent bureau of information and report which, with the representatives from the localities, will form a body that will care for the interests of our possessions as the agents-general of the self-governing colonies and the crown agents of the crown colonies do in England.

## THE PROBLEM OF THE PHILIPPINES

BY LOUIS LIVINGSTON SEAMAN, M.D., A.B., LL.B.,  
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As colonizers, in the practical acceptance of the word, Americans are not and never can be successful, because of their too idealistic aspirations. Despite the general belief that the acquisition of the almighty dollar is the height of our ambition, the aims of all American military expeditions, throughout our entire history, have been absolutely altruistic—always for the elevation of the down-trodden or the relief of the victims of former tyranny. We have constantly endeavored to create self-respecting, self-supporting citizens, capable of appreciating liberty, and of intelligently exercising that greatest of all blessings, self-government.

Can history furnish a parallel to America's disinterested emancipation of Cuba from Spain, undertaking a war with a power once so great that it dominated the world, shedding the blood of its freeborn citizens, and expending a round billion from its treasury with unexampled prodigality. Then, after stamping out tyranny, the conquest was completed and the island was put in sanitary condition, and transferred to a liberated people, giving them their lands, their cities and their homes, together with a promise of protection from other powers through the Monroe doctrine, without saddling the country with a financial claim of indemnity for one single cent. Would this have been the policy of the other great colonizing countries of the world? The recent example of the so-called "Powers" in Africa does not tend to prove it. Since the wonderful discoveries of Livingston, which imparted so great a stimulus to the possibilities of that country, there has been going on in that vast domain, a carnival of territorial lust unprecedented in history. It culminated about twenty years ago in the so-called partitioning of the continent by the powers, who, in their division of the spoils, followed, like the robbers of feudal times,

The good old rule, the simple plan,  
That they should take who have the power,  
And they should keep who can.

And what has been done there in the name of civilization to justify this wholesale loot, this robbery of a continent? Very little, beyond the systematized collection of taxes so onerous as practically to reduce the natives to abject servitude. No consideration was paid to the natural geographic lines of the continent, its mountains or rivers, its tribes, its commerce, or its potentialities; and in this monstrous bargain, the rights of the natives received no more consideration than did those of the monkey.

A similar spoliation, on a somewhat smaller scale, would have occurred with the Middle Kingdom after the Boxer war, had not the diplomacy of Europe been defeated. The allied armies of eight nations were there waiting, watching each other like hungry buzzards, for the final dissolution of the sick man of the far East, when, they thought, another opportunity would offer for a renewal of their feasting on the carcass, and for an extension of their territorial spheres. But the ringing policy of John Hay, demanding the preservation of the entity of China, and the maintenance of the policy of the open door, won, and the people of that unhappy land were rescued from the fate of the helpless and almost hopeless African of to-day. And let it never be forgotten, they were rescued by America.

On the occasion of the second and recent outbreak in Cuba, when internal dissensions disturbed the peace and order of that country, and made an army of intervention necessary, did America take advantage of the opportunity to seize that gem of the Antilles to make it tributary to its treasury?

And the Philippines, did we seek them for territorial aggrandizement? God forbid! They fell to us as the unexpected, but legitimate result of war, and by treaty, paid for with clean American gold. Twice I have visited these islands, once as an active participant in the wretched war that began in 1898, and which is likely to continue intermittingly for centuries if the testimony of almost every army officer who has served there can be accepted, or if we remain there for so long. But since our occupation, has the real motive of America been selfish?

Of the hundreds of millions sunk in that land of treachery and savagery, it is doubtful whether America will ever reap the benefit of so much as the price of the homeward passage for its army. Was it a stepping-stone for the trade of the Orient that we

retained possession? The oldest and most respected American merchant in China, one who has spent forty years in the Orient, and has represented his government in various important capacities, said to me while discussing this point:

"As well might America regard the Bermudas or the Canary Isles as stepping-stones for the English, French, or German trade of Europe, as to acquire the Philippines for the advancement of trade in the East. Instead of a help they are a direct menace, requiring protection and causing international jealousies; and in case of war would be a constant source of gravest danger because of their great distance from our base."

Is it for gold that our thousand school teachers are now drawing salaries to educate these semi-savage, deceitful Malays, tainted with Spanish cross, who for centuries will be unable to eradicate the treacherous and cowardly instincts of their race? "By the same path must ye walk" is true to-day as it was two thousand years ago. The continuity of history cannot be broken; a people cannot break with its past; immemorial heredity must be remembered. To suppose that from the low-bred Filipino there could be evolved in a single generation one worthy or competent to exercise self-government, is to defy every law of anthropology and natural selection, and to indulge in the wildest optimism. Is it possible to believe that such a creature—the natural product of his tropical environment—whose evolution has taken ages for the development of the instincts of cunning and treachery, and of the characteristics and qualities that have enabled him to preserve his existence in the land of the tiger and the viper—could be suddenly translated into a self-governing citizen? The Anglo-Saxon of temperate clime has required many centuries of natural selection to evolve from his savagery. As the cave-man, he too was full of ferocity, guarding his home and his family and his life. Evolving from the dark ages through feudal days, assisted by the teaching and traditions of the Church, the example of Greece and Rome, and the Free Cities of Europe, profiting by the lessons of the Reformation, the influence of the thought of great leaders like Erasmus, Luther, Gustavus Adolphus, by long wars for the vindication of right, by Magna Charta, the printing press, the drama, the French Revolution, and our own revolution; through all these things he gradually developed from ignorance and superstition into a thinking, self-governing



*man*. But this development required a thousand years—the golden thousand since creation—to free him from his ignorance and mortal serfdom, and to prepare him to rule himself. Is the African or Malay savage so infinitely the intellectual superior of the Caucasian, that he can emerge from his savagery into this sphere of civilization, and attain this rich inheritance in a single decade? Is this self-governing ability (which is not yet over-developed among us—as the resident of any great American city must confess), to be hypodermically injected in concentrated essence into the ignorant, treacherous, low-bred Filipino, by bullets, or prayer-books, or school-houses, in a generation, to qualify him for beneficent assimilation? The suggestion is preposterous.

I believe the most practical solution of the Philippine problem—if the American people are foolish enough to continue their extravagant experiment there, or if we are not relieved of the responsibility of the islands by neutralizing them, or through some foreign complication—is to allow them to follow the course of natural selection through the importation of the Chinaman. His exclusion from these islands was a diplomatic blunder, comparable only with the treatment of the Oriental on our Pacific coast at the instigation of the sandlot orators, charlatan politicians, and the yellow journalism of California. When I was last in the Philippines, there were somewhat over one hundred thousand Chinese there, who formed by far the most industrious class of the inhabitants. The Chinese Mestizo (half Chinese and half Filipino) is acknowledged to be superior to the Eurasian, or Mestizo of Oriental cross—Japanese, Hindoo, or Bornese. Many of them were wealthy bankers or merchants. Others were engaged as compradors or clerks, banking houses employing them almost to the exclusion of all other nationalities on account of their quick wit, sterling honesty, industry, and individual merit. As in the Hawaiian Islands, they formed the most valuable element of the population. The Chinese Hawaiian half-caste is the keenest business man, and the most industrious citizen to be found in those islands. The exclusion of the Chinese laborer in that land will do inestimable damage in retarding industrial and commercial development. Despite his fanaticism when directed by ignorant rulers, he has shown his superiority over other Orientals in his untiring industry, his domesticity, and his honesty. In the large foreign houses, or business houses of China and Japan,

he was the trusted employee in places requiring responsibility. When put in competition with the Bornese, the Filipino, the Cingalese, the Hawaiian, the Japanese or the Indian, he invariably wins, as may be seen by his rise from poverty to wealth and influence in the cities of Singapore, Calcutta, Sandakan, Manila, Honolulu, or Yokohoma. It is time America recognized that, in the great race of civilization, and the greater race for the survival of the fittest, the nation that has preserved the integrity of its government for over six thousand years, that has witnessed the rise and fall of the civilizations of Chaldea, Egypt, Greece, and Rome, that can claim the discovery of the compass, of gunpowder, the game of chess, and the printing press, and that gave birth to that great philosopher who, five hundred years before the coming of Christ, propounded and exemplified the doctrine, do not do unto others what you would not have others do unto you, is more to be respected for its virtues than feared for its vices. The presence of the Chinaman in the Philippines—with the substitution of its characteristics of honesty, domesticity and industry, for the dishonesty, laziness and treachery of the Filipinos,—will do more to promote the industrial development and the civilization of these islands than any other factor, and the sooner America appreciates this fact and acts upon it, the more prompt will be her relief from her present embarrassing position.

Uncle Sam has paid, and is paying dearly, for his experiment and the privilege of protecting the trade of his distant possessions for the benefit of England, Germany, and Japan. Some day he will tire of the constant drain on his treasury and his army, and remove these islands from the arena of politics, and the natural law of evolution will prevail—and many there are who will welcome the coming of that day.

When these facts are remembered, the world will be justified in its characterization of our Oriental development. Foreigners are watching the progress of our colonial experiment there with keenest interest. And I believe, unless our policy is changed, it will prove a lamentable failure and, therefore, establish a disastrous precedent for the attempted elevation of the blacks. This will be the more unfortunate, because the experiment radically differs from all others, in that its aims are purely altruistic.

PART FIVE

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*Appendix*



REPORT OF THE ANNUAL MEETING COMMITTEE

ELEVENTH ANNUAL MEETING  
OF THE  
American Academy of Political and Social  
Science

*Philadelphia, April 19 and 20, 1907.*

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The Annual Meeting covered four consecutive sessions, held in the afternoons and evenings of April 19th and 20th, in the Witherspoon Hall, with the exception of the second session on the evening of Friday, April 19, at which the addresses of welcome to Ambassador Bryce and the annual address by Senator Beveridge were given, and the Horticultural Hall, crowded to its utmost capacity of 1,500 or more, was used.

The leading papers of all the sessions are printed in full in the *THE ANNALS* of the Academy for July, 1907. The thanks of the members of the Academy are due to the committee on program; the local reception committee, of which Mr. Joseph Wharton was chairman; to the standing committee on Reception Meetings, of which Mrs. Charles Custis Harrison is chairman; to the Manufacturers' Club of Philadelphia, which extended to the members and visiting guests all the privileges of its handsome club house; to Provost and Mrs. Charles Custis Harrison, who extended the hospitality of their home to the speakers on the program, and to Hon. William H. Taft, Secretary of War, and General Clarence R. Edwards, Chief of the Bureau of Insular Affairs, who, next to President Roosevelt, took a keen personal interest in the meeting, and at his suggestion rendered valuable aid to the committee on program.

The following is the text of the briefer addresses of Hon. Charles Emory Smith, who introduced the British Ambassador, Right Hon. James Bryce, as the permanent honorary chairman of the Annual Meeting, and conveyed to him the greetings of the Academy; of Professor James T. Young and Professor Carl Kelsey, who each presided at one of the sessions of the Annual Meeting; of the acting president of the Academy, Professor Samuel McCune Lindsay, and of Hon. E. W. Lord, Assistant Commissioner of Education for Porto Rico, who was in attendance, and at the request of Professor Lindsay, former Commissioner of Education in Porto Rico, took part in the session and added an informal statement to the discussion of the educational program, giving some account of his Porto Rican work:



PROFESSOR JAMES T. YOUNG.

*Ladies and Gentlemen:* The colonial problems now confronting the United States are totally different from those which we expected in 1898. At that time our attention was concentrated upon the political salvation of the island peoples. The addresses of the commanding officers of our armies to the people of the islands dwell upon political liberty. The documents which have come down to us from the Philippine Republic of Aguinaldo and Mabino are concerned with the rights of self-government. The presidential campaigns in the United States, so far as they touch upon colonial questions, have been discussions of our Declaration of Independence as applied to the tropics. The anti-imperialistic propaganda which rose, subsided and disappeared within five short years from the close of the Spanish War, has left us with nothing but a few pamphlets on the right of all peoples to govern themselves. Even the annual messages of our Presidents have at times treated the Philippine and Porto Rican problems of the day primarily as political questions, that is, as problems of suffrage, of colonial independence or local self-government.

The distinctly political view of the situation has now passed away and on the occasion of this, the Eleventh Annual Meeting of the Academy, we are concerned most of all with the *economic and social* reconstruction of the dependencies. To preach political rights as the solution, to our colonial problems would now be a mockery. So long as we have only a tithe of the magnificent mineral and agricultural resources of our island dependencies developed to their proper capacity, so long as there exists but a fraction of the necessary means of communication which should be established, and the whole system of industrial and technical education is still in its infancy, just so long must the American colonial policy be primarily one of economic construction and development. To speak plainly, we must first of all uncork the bottled-up resources of the islands. We must sweep away, root and branch, the obstacles to the natural development of these great productive sections of the national domain. We must teach their peoples how to produce and sell those things which the world needs. For by so doing we shall develop in them that economic self-respect and that spirit of social progress which are the foundation of all political liberty. There is no reason why a man should vote before he can earn his living. Is it otherwise with a nation? The present problems of the American dependencies are therefore at bottom economic and social in character. And so it has come to pass that we Americans went into the Spanish tropics as the political champions of oppressed peoples, with the Declaration of Independence in one hand, the United States Constitution in the other and something of a halo round our heads, but we have folded up the Declaration for possible future use and laid aside our halo to settle down to the business task of building railroads, introducing law and order, putting up telegraph poles, settling people on the farms, studying the possibilities of the soil, developing new crops, digging harbors, paving streets, suppressing disease and building school houses. We went to the tropics to preach political liberty and we have remained to work.

When, therefore, the Annual Meeting Committee prepared the program

for these sessions it was arranged to bring before you for discussion, not the old threshed-over political issues of 1900, but the live, active, stimulating work of the present time,—the work which is making our dependencies.

HON. CHARLES EMORY SMITH.

*Ladies and Gentlemen:* This is the second session of the Eleventh Annual Meeting of the American Academy of Political Science. The general topic of discussion at this meeting is the American Colonial Policy, and that is the particular topic of this evening. The American people did not designedly enter upon the colonial system. Without any ambition in that direction, without premeditation, we suddenly found ourselves face to face with the fact almost before we knew it. Without any preconceived purpose on our part the Spanish War placed us in possession of Porto Rico and the Philippines. These acquisitions were the legacy of the stand we took for humanity. They could not be incorporated into our political system of states. They had to be treated as dependencies, and so the colonial annex to our political structure becomes inevitable.

We did not seek it, but we need not regret it. Frequent expansion has been the distinguishing feature of American growth. Our development has been equally marked by internal upbuilding and by external enlargement. Our earlier expansions were contiguous. We had to span the continent and fill the space between the seas. We had to have the wide continental base for a great power. Our later expansions have been over the sea, and they have been as opportune and as logical in their time as the others were in theirs. In former days we needed room; now we need commerce. Then we wanted land for breadth and growth; now we want the sea and sea footholds for the open-door to markets.

Our colonial development and our world-influence have come together. I do not say that one was the cause of the other, but they sprang from the same origin. I know it has been said on the platform of this Academy, which is a free platform, that the United States became a world-power as soon as it entered the family of nations. That delusion flatters American vanity, but it is shattered by historical verity. It is quite true that the United States extended its arm out into the world in the early days. It is true that Decatur and Bainbridge chased the Barbary pirates to their lair, and that their daring exploits in the Mediterranean shed new luster on the American flag. It is true that Captain Ingraham took Martin Koszta, as an adopted American citizen, from the deck of an Austrian frigate. But these acts, and acts like them, were simply the assertion and protection of American rights. They were not the participation of the United States in world affairs.

The first real participation of the United States in the great arena of world affairs was at the time of the Chinese embroglio in 1900, and we were able to go into China because we had already gone into the Philippines. We were there by right, and we were there with force, because we had troops nearby. The whole development which led up to this demonstration was a logical movement. We had to have world-interests before we could be a world-power. We had to be a world-power before we could sit at the world's

council table, and we had to sit at the world's council table before we could become in part (let us say it very modestly) the world's peacemaker. We were already dominating the affairs of the western world, because we were the great western power, and before we could exercise a voice in the East we had to be an eastern power.

Had there been, before that time, a Russo-Japanese War, before whose awful destruction the world stood aghast, we should not have seen the commissioners of the warring powers sent to meet on American soil, under the influence of a masterful American President, who, from his point of vantage, and with the disinterestedness of the United States behind him, skillfully and successfully led the way to the restoration of peace. In those days the diplomatic mission to Washington was regarded generally by the powers as an inferior post instead of being treated, as it now is, as the most dignified, honorable and important of positions, to which Great Britain, in recognition of its high rank, sends as her representative one of her most brilliant scholars, and one of her ablest statesmen. That government could have made no appointment so acceptable to the American people. It could have made none which carried so fine a tribute to the American nation. It could have made none so peculiarly significant of the friendly sentiment, the intelligent understanding, and the sympathetic goodwill which prevail between these two countries. That distinguished representative is the ambassador not merely to the American government, but to the American people in the large sense, and it has been gratifying to us to observe how clearly and distinctly and successfully he has recognized that mission. Great Britain is the foremost of colonial powers, and it is signally fit and fortunate that at this session, devoted to the discussion of colonial questions, we should be honored by his presence. It is my privilege and honor to convey to him the greetings of the Academy and of this great assemblage. We shall listen to his words of wisdom and information on this subject with profound gratification, and I have great pleasure in presenting to you, as permanent honorary chairman of this meeting, his excellency the Right Honorable James Bryce, British Ambassador to the United States.

PROFESSOR CARL KELSEY.

*Ladies and Gentlemen:* To secure effective administration is relatively easy; to bring about the development of a people, accompanied as it must be by the changing of old customs and ideas, is very difficult. Is it not ludicrous to extol the success of Taft in Cuba, for example, then to complain that in less than two years the system has gone to pieces? I apprehend that before we are done with our island possessions we shall learn several lessons in social progress.

The developments of the last half century have brought us face to face with great groups of race problems. In Porto Rico, Alaska, Hawaii, the Philippines we must deal with groups who, like the Germans of old, "differ among themselves in language, institutions and laws." We have rather vain-gloriously started out to "Americanize" these peoples—whatever that may be. Few people doubt the possibility of advance for any group, but whether such

advance will lead to the adoption of our peculiar ideas and institutions is at least open to discussion.

England has given India a good administration, but the English were, perhaps, never more hated than they are to-day by the natives. We must recall that we are professedly seeking not the utmost development of the Philippines, but of the Filipino. The success of such friendly aid in the case of the Maori in New Zealand, the Zulus and Caffirs of South Africa, not to mention the Caribs of the West Indies, the Kanakas of Hawaii, or the Indians of North America, should not make us too sanguine—even those specially imported Africans still constitute a problem at our very doors whose solution is far from being one of administrative methods.

In a word, the growth of a civilization must be from within—not imposed from without. It may be stimulated, helped, fostered, but not imposed. We must be agents of discontent if progress is to come. These changes will cause great problems which in their turn may destroy the whole process.

If we can approach our task in the islands in this spirit we may well hope to be instrumental in producing good results. We must get rid of the shallow optimism, however, which discounts the peculiar history and environment of these subject peoples, and prepare for a long and often unsuccessful campaign.

MR. E. W. LORD.

*Ladies and Gentlemen:* I am glad to have the opportunity to speak for a few moments in regard to Porto Rico, largely because this afternoon's program seems to be devoted so entirely to the Philippines that I fear that the smaller and nearer island may be entirely forgotten. Perhaps we may rely upon the rule that the attraction varies inversely with the square of the distance. If that is true, our interest in Porto Rico may not be less than our interest in the Philippines, for it is certainly much nearer, and that may serve to attract us the more to its problems. A great many people are not aware that Porto Rico is not a part of the Philippines; every week mail comes to us addressed, "San Juan, Porto Rico, Philippine Islands." I received a letter one or two weeks ago from the editor of one of the most prominent literary journals of the United States, so addressed.

I am going to speak to you briefly and prosily for a few moments on the public school system of Porto Rico. First, then, as to the system which we used to have. You are undoubtedly familiar with the fact that under the Spanish administration very little attention was given to educational work. There were no schoolhouses in Porto Rico. There was just one house in the island which was used exclusively for school purposes, and that was a dwelling house which had been given by a lady to the public schools of her town. The Spanish custom was to employ a teacher and pay him, besides his salary, a certain sum which he should use to hire a house, and then he would gather pupils around him for such instruction as he saw fit to give them. It was a very excellent way to provide the teacher with a house for himself, his family and his friends. In our opinion it was not a very satisfactory system for the pupil, and as soon as possible we began to get some buildings. The first work

which came to the American administration was to provide buildings; at first this was largely done by hiring dwelling houses, but as soon as possible we began to build, and to-day, in almost every town, we have at least one substantial brick or stone building of from four to eight rooms, and several small one-room buildings, and the number of buildings is increasing very rapidly.

We have organized now a system of schools very similar to that prevailing in the United States. We have, in our graded schools, eight grades. We have three high schools, and I may say that the San Juan High School sends pupils, on certificate, to all the leading American colleges. We have a normal school, which is a department of the University of Porto Rico, which is not yet the Spanish-American center of culture of which Dr. Brumbaugh spoke in his address yesterday, but it may provide the foundation for such an institution if that shall ever be formed. At the present time there is no attempt to give anything higher than a high school education. Our teachers are both American and Porto Rican. Very many of the remarks which Dr. Barrows has made this afternoon in regard to the work in the Philippines apply with equal truth to Porto Rico. We realize that the Porto Rican teacher is the one upon whom we must rely for final salvation. We have a much smaller number than in the Philippines, of course. At the present time we are employing about 1,200 teachers—1,000 native and 200 Americans. I can speak in the highest terms of our American teachers as Dr. Barrows can of his. Our American teachers are hard-working, earnest missionaries of education, and the results of their work are increasingly evident. Some of them have had to put up with rather hard conditions. In the early days they went to strange places, knowing nothing of the Spanish language, among people who knew nothing of their language, and they sometimes found it hard to find places where they could live comfortably.

There are about 60,000 scholars in our schools at the present time. That is not the whole number of children of school age. There are not less than 300,000 of school age, but that is counting from the very lowest, 5, to the highest, 17 or 18 years of age, and of course we could not expect, in any case, to provide school accommodations for all of them, old and young, alike. No school system in the world makes such provision. We estimate that we have, at the present time, accommodations for about sixty per cent of those who really ought to be in school. We are increasing the number provided for slowly. The local legislature is doing everything in its power to add to the number of schools. They have increased the appropriation from year to year; I do not remember what the first appropriation was—I believe it was about \$300,000 for common school salaries; this year it was made \$500,000. That was for common schools alone, and in addition there are various high schools, agricultural schools, and various other special lines of work.

We have a large proportion of white pupils in our schools—at least three whites to one colored—that is, according to the records. Sometimes if you go into a school and look around it is hard to tell where the whites are, or to tell the difference between the white and the colored, for it is often very hard to tell whether a pupil is white or colored. We are obliged to record the number



of colored and white teachers, and so have our superintendents include that data in their reports. Once a teacher who had been reported as white one month was reported as colored the next. We found it necessary to issue a rule that any teachers who wished to change color should do so only during the summer vacation. One of the superintendents hit back at us with a suggestion that, to avoid further difficulty and embarrassment, we have a color chart provided for all degrees of color from white to black, so that he might report "Shade No. 1" or "Tint No. 17."

The great work which we are trying to do in Porto Rico is to Americanize the island. We did not at the outset make English the language of the schools, because Spanish was universally spoken. We have, however, changed very gradually from Spanish to English, until, at the present time, in all graded schools, practically every grade above the first is taught entirely in English, either by a Porto Rican or an American teacher, or by both alternating. The system which we are endeavoring to follow from this time on is that the first grade shall be taught in Spanish, because many children go through the first grade and never go beyond that. It is better for these children to get all the instruction they can in the Spanish language. In the second grade all work is put into English. It is then carried on up through the eight grades. We find that the children quickly acquire English, and long before they reach the eighth grade they are using it fluently and easily. That is one of the greatest elements in the Americanization of the people. A large number of Porto Rican students go to the United States to study. The government maintains forty-five students here, and statistics show that yearly 450 more are here on their own resources. It is true, as Dr. Brumbaugh suggested yesterday, that many of these are in inferior schools. That is a matter which we have been unable to avoid, but even so I cannot feel that that time is wasted. They are learning something of American life—they are learning to be proud of the American name, and when they go back to Porto Rico they will spread American ideals.

Two or three little events have occurred in the last few weeks which show the trend toward Americanism. One of these, of which I wish to speak, is one which I consider especially significant. I attended, only a week before I left the island, the Insular Interscholastic Athletic Games, held at San Juan, in which athletes from the schools of several different towns met for interscholastic sports. From the outset it was evident that the team of the San Juan High School was in the best condition, and was best trained, and would probably win the prizes, but the teams from the Ponce High School and from the Insular Normal School did not stop work when they realized that fact. They kept right on to the end. They struggled for every inch, and although the San Juan team won, the others stood well. Those of you who are familiar with the Latin-American character know that that is a new development. The typical Latin-American will withdraw from a losing game, and I feel that we see in the results of these athletic games, more than in almost anything else I could tell you, the influence of American ideas. They are going to struggle—they are going to win.

PROFESSOR SAMUEL McCUNE LINDSAY.

*Ladies and Gentlemen, Fellow Members of the Academy:* With the session to-night we close our Eleventh Annual Meeting. Before presenting the topic of the evening and introducing the speakers (which is the only excuse, I think, for a presiding officer), I would like to say a word about our program at this year's session. I feel that a word of acknowledgment is due to the Secretary of War, Hon. William H. Taft, who has taken a very keen interest in this program from the very beginning of its inception, who has co-operated with the officers of the Academy in arranging for the program, and who would have been here and have spoken himself had that been possible in addition to his many public duties, which, unfortunately for us, have just included a visit to Cuba, Porto Rico and the Isthmus, from which he returns to-day or to-morrow. He has already sent his regrets, which are more than reciprocated by us, that he is unable to get back in time to be present at this annual meeting.

I would also like to add a word of acknowledgment of the services rendered by General Clarence R. Edwards, the Chief of the Insular Bureau, who has also co-operated in every way with the program committee in arranging for the program, which I think has proven a most interesting one, in the discussion of a topic that is most vital.

I suppose that no logical order of addresses is possible in a program of this kind. We have attempted to discuss a few (and only a few) of the problems that present themselves in our own colonial experience. The special topic for the session this evening has to do with the legal and political problems affecting our dependencies. The difficulties of colonial government which have been pictured so vividly in the writings of many eminent Englishmen, and concerning which we have so illuminating an example in the history of England,—the difficulties which have been met fairly and in harmony with the traditions of Anglo-Saxon civilization, in ways pointed out by Mr. Bryce last night, are nowhere greater than they are when it comes to the legal and political problems involved in the relations of two peoples of different historical civilizations, perhaps of different races, and perhaps speaking different languages.

Legal and political institutions are the natural development of economic, social and racial conditions. It would therefore seem plain to any one that to transplant institutions that harmonize with any given experience, or with any particular historical experience, is almost an impossibility; and yet it is that very impossibility which any nation undertakes that begins colonization. It is that very impossibility that the pioneer and perhaps the greatest nation in colonization the world has ever known—the British Empire—has undertaken (as Mr. Bryce pointed out to us last night) in the establishment of law and order, and in the establishment of that respect for authority upon which Mr. Bryce laid so much emphasis as one of Great Britain's greatest achievements in the matter of colonial government.

Great Britain was unavoidably transplanting institutions that corresponded to and grew up, I may say, out of a certain historical experience of the peo-

ple who inhabit the British Isles, and transplanting them to a country where that experience did not exist. I shall not attempt to anticipate what may be said in the papers and addresses that will be presented here to-night. To illustrate in one respect the nature of the legal and political problems we now have under discussion, I may cite the question of citizenship, a question that already has played a very important part in the development of our relations with the Island of Porto Rico.

I have listened to some of the most impassioned oratory from the native Porto Ricans—Porto Ricans of great intelligence and intellectual power—who have asked for American citizenship and have said frankly, when it was pointed out to them, that to obtain American citizenship would entail a very great pecuniary sacrifice on their part as a people, that they cared not what the cost might be. Sentiment was dearer to them than any mere advantage of revenue or of a mercenary and commercial character. They desired American citizenship at any price.) Many of our own people have frequently asked the question, Why should they not have American citizenship conferred upon them at once, or at least upon those of such intelligence and education as is now required of the foreigner who may become naturalized. Not a very high educational requirement, to be sure, but with some such simple requirement as that, why not? And, of course, the perfectly obvious answer from those who have had to do with the administration of the legal machinery of government in an island like Porto Rico, is that citizenship means a certain relation to fundamental law and fundamental custom, and that American citizenship in this sense does not exactly fit the situation as yet in Porto Rico. It is not because there is any lack of desire on the part of American officials, or on the part of the American government, or on the part of that which is greater than either of these—the American people—to give to the people of Porto Rico anything that we can give that may be to their advantage, but because we hesitate to give them something that does not correspond to their own experience or to their own historical development. For these reasons alone many Americans think that it is best to wait awhile until with the progress of the institutional growth and development coming very largely through education, the Porto Rican people are in a position to understand, safeguard and use the privileges of citizenship as we enjoy them here.

I have referred to the question of citizenship in Porto Rico simply as an illustration of some of the difficulties that arise from differences in institutions, that are due to differences in racial, institutional and political history. It is impossible to bridge them over in a day. We must not be impatient for too rapid results in the adaptation of our institutional life to the widely different historical background in the countries we try to colonize. Such adaptation, if possible at all, constitutes one of the very gravest problems in colonial life, and the temporary adjustment of these difficulties constitutes one of the greatest administrative problems.

It is to some of these problems that we are to address ourselves to-night. The first speaker on the program is one who needs no introduction to the members of the Academy, one who is known widely in the university and

academic circles of this country for his scholarship, who is known, also, perhaps still more widely for his signal services to our government as treasurer of Porto Rico and as special agent of our government in certain very complicated relations with San Domingo. While the topic which he will present may not seem to have a logical place upon a program dealing chiefly with our own dependencies because San Domingo is in no sense a dependency of the United States, the question which he has consented to discuss is one of unusual and vital interest to us. Its existence indicates a certain extension of American influence to say the least, and it represents also our dealing with a country that has come into somewhat closer relations to us by reason of its geographical location as well as its political and social condition. I take pleasure in presenting to you, as the first speaker of the evening, Professor Hollander, of Johns Hopkins University, who will speak to us upon "The Recent Conventions between the United States and the Dominican Republic."

The other speakers of the evening program of April 20 were subsequently presented by Professor Lindsay and included Mr. Paul Charlton, Major Seaman and Hon. Herbert Parsons.

PART SIX

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*Book Department*





## BOOK DEPARTMENT

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### NOTES.

**Agger, E. E.** *The Budget in the American Commonwealth.* Pp. 218. New York: Columbia University Press, 1907.

**Avebury, The Right Hon. Lord.** *On Municipal and National Trading.* Pp. 176. Price, \$1.00 net. London: Macmillan & Co., 1907.

Lord Avebury has given, in this well-typed book, a summary of the arguments on municipal ownership or municipal trading, as it is called in England. One chapter is devoted to the national ownership of railways.

The keynote to the volume is expressed in the first chapter: "That governments and municipalities should, as far as possible, abstain from entering into business was an axiom amongst economists when I was young. I am confident that those best qualified to judge are still of the same opinion." The reasons urged against municipal trading are: First, cities have enough duties at present without adding business responsibilities. Second, the increase in municipal trading has involved an immense increase in municipal debts. English cities in this respect are much more heavily involved than American or German municipalities. Third, it will involve cities in labor disputes, as more and more workmen are employed, who desire to raise their wages. Fourth, initiative and economy will be lacking, and as a result, the city will lose money, or the service will cost more. Fifth, municipal ownership checks private initiative and progress. Water may perhaps be furnished by the city, where companies do not furnish a pure supply, but gas, electricity, street railways and other forms of business enterprises, involving questions of profit and loss, should be left to private initiative.

It occurs to the American reader that it would be of value to know (1) what amount of this large new debt referred to has been incurred for legitimate municipal works—parks, bridges, streets, perhaps bath houses, etc.; (2) how much of it for gas, electric lights, water and street railways—the "natural monopolies" over which the present fight in the United States is waging; and (3) what proportion has been expended for municipal slaughterhouses, tenements, pawnbrokers' shops, clothing stores, brick-making, and other lines instanced in Lord Avebury's summary, which do not interest Americans, as there is no disposition to municipalize the latter in the United States. Is the increase in British municipal debts due to too large an expenditure for proper city functions, or to an extension into further lines of activity, and if the latter, on what lines? A definite answer to these questions will help materially in determining what bearing the increase of the debts of English cities has on American experience in municipal ownership.

**Barker, J. E.** *The Rise and Decline of the Netherlands.* Pp. xiv, 478. Price, \$3.50. New York: E. P. Dutton & Co., 1906.

"Dutch history is most important to Anglo-Saxons—existing histories are unsatisfactory—Motley's history—aim and scope of the work." This is the author's summary of his first chapter. There is no preface. On turning to the text the first words that meet us are those of the familiar old saw, "Experience is the mother of wisdom, and remembrance is the mother of experience, therefore the wise King Solomon," etc. This and two quotations from Ecclesiastes on the first half page are sufficient in themselves to reveal the nature of the work. By the historian it can be safely passed over. Even for the general reader of moderate historical training it will be of little value. "Motley," says Mr. Barker, "gives us a drama, not a history; therefore Motley's History teaches but little to those statesmen, politicians and business men who are anxious to study the practical lessons of history, and to learn statesmanship and political economy in the highest sense at the hand of historical facts." The so-called scientific history of recent years the author classes with the pyramids, useful not for their beauty or utility, but as quarries.

His own work will readily escape this danger, in spite of the fact that the reader is told repeatedly that very many works, "in all, perhaps two thousand, have been consulted," "all the best Dutch, French, German, English, Italian, Spanish and American authors who have written on Dutch affairs," so many that all the material "might have sufficed for a detailed history which in bulk would have rivaled the very largest histories published in this country." But in spite of all this the monumental work of Blok seems to have escaped him altogether, even though an excellent translation in English by Miss Ruth Putnam exists. Even for such as write history from the self-assumed higher ground, and who, like our author, believe with Dionysius, that history ought to be "philosophy teaching by example" the painstaking care and thought of the scientific historian is of value.

Having allowed Mr. Barker to say this much for himself it is perhaps unnecessary to enter into a discussion of the contents of the volume, or the detail of the treatment, which begins with a discussion of the economic conditions underlying the rise of the Netherlands at the close of the Middle Ages and which ends with a chapter on the causes underlying the decline in the seventeenth century.

**Bisland, Elizabeth.** *The Life and Letters of Lafcadio Hearn.* Two vols. Pp. viii, 1035. Price, \$6.00. Boston: Houghton, Mifflin & Co., 1906. Reserved for later notice.

**Blackmar, F. W.** *Economics.* Pp. 546. Price, \$1.40. New York: Macmillan Co., 1907.

One of the things that has been particularly needed in elementary economics is a text book that combines with accuracy and scientific knowledge a simple and forceful statement of the problems involved. Almost every writer who has attempted to write a book on elementary economics has used

his text book to advance some new economic theory instead of making it a plain statement of the general accepted theory. No matter how expert a man may be, his attempts at stating new thoughts will always develop complications more or less difficult of expression, and the elementary student is left to wander through a maze of new phrases and crudely expressed ideas, before which even the initiated often stand appalled.

Another difficulty which the ordinary text book has presented has been its expensiveness. A two dollar price is sufficient to exclude the book from many institutions. In preparing his book on economics, the author has obviated both of these general criticisms by stating his problems in a clear and interesting manner, and by placing on the market a text book which is both elementary enough and cheap enough to be accessible to average beginners.

**Brooks, H. K.** *Brooks' Foreign Exchange Text Book.* Pp. 239. Price, \$2.25 cloth, \$2.75 leather. Chicago: H. K. Brooks, 1906.

Mr. Brooks is eminently qualified to discuss the subject undertaken in this new compendium. For many years the manager of the financial department of the American Express Company at Chicago, he has an experience in the operations of foreign exchange equaled by few other authorities in the United States. The present work is an abbreviation of a more pretentious volume and is intended to place before the student the elements of the subject rather than to present an exhaustive treatise. Besides the field of "foreign exchange" strictly considered it presents chapters on the moneys of all the countries of the world and gives numerous suggestions as to the best way to convert money of one country into that of another by the observance of the peculiar local customs. It is not intended as a reference book for the expert, but as a guide for the student and the average citizen. This purpose it admirably fulfils, setting forth the facts so simply and clearly that persons not familiar with the details of exchange may readily grasp the principles discussed.

**Burbank, Luther.** *The Training of the Human Plant.* Pp. 99. Price, 60 cents. New York: The Century Co., 1907.

The author has made a world-wide reputation as a grower of plants. So far as known he has had no experience in training children. The resultant volume is as trivial and disappointing as one could expect. So far as there is a theme it is that if he could control the great mixing of races now taking place in America he could do wonders. This may be true, but it is not to the point. The volume is to be commended to those in charge of old-fashioned Sunday school libraries.

**Bureau of American Ethnology.** *Handbook of American Indians.* Bulletin 30. Part I, A-M. Pp. ix, 972. Washington: The Government Printing Office, 1907.

It is not too much to say that this is one of the most important publications ever issued by the bureau. Mr. F. W. Hodge and the others who have prepared the handbook for the press deserve great credit. In substance it is an

encyclopaedia of all matters having to do with the Indians. When the second volume is issued students of Indian affairs will be able, for the first time, to get accurate information in condensed and accessible form.

**von Chlumecky, Leopold.** *Osterrich-Ungarn und Italien.* Pp. 247. Price, 4.50 m. Leipzig: Franz Deuticke, 1907.

How keenly the international rivalry in Austria and Italy is felt in the former country is evidenced by the fact that the first edition of this book was exhausted in less than three weeks.

The author issues a call to all patriotic Austrians and Hungarians to devote their energies to the extension of Austrian influence in the Balkans rather than to their petty feuds at home. Now, he says, is the time to oppose the ambitions of Greater Italy, bent upon the domination of the Adriatic; to wait will inevitably mean the closing of Austria's front door to the commercial world. Italy is bending her energies to create strong commercial relations with the near East. Banks, roads, loans to commercial houses, and heavy subsidies to the Puglia steamship lines are binding the commercial interests of the Balkan states to Italy and preparing the way to the realization of her dream of political control. Some statistics of truly startling character are given to show the extent to which the Italian plans have been successful. If Austria does not wish to see herself supplanted she must fulfil her mission by assuming such a dominant position that one day she may be able "to stand at the death bed of the sick man, not as one who waits for a parting of his possessions," but as his heir. Hand in hand the members of the dual monarchy must resist the "Italian dream of exclusive control of the Adriatic."

The style of the book is polemic, and numerous allowances must be made for the strong prejudices of the author—prejudices which he makes no effort to conceal. The facts and quotations presented give a vivid picture of the international rivalries they discuss.

**Cornford, F. M.** *Thucydides Mythistoricus.* Pp. xvi, 252. Price, \$3.00. London: Edward Arnold, 1907.

Mr. Cornford has written a book that is easy, even fascinating reading. It did not need his words of acknowledgment to let us into the secret of Dr. Verrall's influence upon his ideas and methods. There is the same evidence of careful work and profound meditation; there is an approach to Dr. Verrall's characteristic brilliancy of presentation; but there is left in the end the same impression of special pleading.

That Thucydides held views, natural in his day, as to special providences, has long been acknowledged. That he does not hold ideas as to law and causation, such as commend themselves to Mr. Cornford, was to be expected; this means nothing more than that he was born centuries before the development of economic science and the promulgation of the Darwinian hypothesis. But that he had no conception at all of law in human history, few that have read him will be ready to believe. On the contrary, as Professor Shorey showed in an elaborate article several years ago, Thucydides did hold a theory



as to the laws governing human history, and this theory is writ large in his pages. True, it is psychological, as Mr. Cornford asserts but what of that? No other theory was then possible; there were no data then at hand to support, much less establish any other. It was therefore, the only scientific theory for him to adopt. That in writing an exclusively political and military history Thucydides should look for causes (not merely pretexts) in the political sphere, is surely not strange. There were such causes, and he has, many believe, put his finger on them. There are also deep seated and economic causes; no one doubts it. But they were deep seated, and no one in that day saw them or could see them; we can see them or divine them; but economic science has meanwhile been developed.

Some facts Mr. Cornford overlooked that are of importance to a right estimate of Thucydides are:

1. At the outbreak of the war he was forty years old or thereabouts; he was therefore no child, and surely he was no fool.

2. He was rich and highly connected. Cimon, long Pericles's political rival, was his relative; he had the entrée to all the best society in and out of court and government circles.

3. He was a politician. Once at least he was on the board of generals, by election, not by allotment; he was, therefore, no stranger either to the politics or the administration of the day.

4. He was a business man. He held a lease of important gold workings in Thrace and was a man of influence in that region, which was commercially of great value to Athens. Moreover, as general, he was sent there for this very reason.

That the artistic element crosses the historic in his work, more than a modern would allow it to do, is true. But it does so throughout and from the first, and moreover, it only affects his method of presentation, not the essential subject matter, not yet his theory of the war or of history in general.

**Davenport, Frances G.** *The Economic Development of a Norfolk Manor, 1086-1565.* Pp. x, 105, cii. Price, \$3.00. Cambridge: University Press, 1906.

Although original material for the study of medieval economic conditions is nowhere abundant, England, in this respect, is richer by far than any other European country. Beginning with the unique record known as Domesday Book, a truly remarkable amount of detailed information has come down to us and is now, for the most part, suitably housed in London. The above monograph is an excellent demonstration of the value of such material to the student of history and economics. The author has endeavored to give us a detailed statistical account of a single Norfolk manor during 479 years of its history. The *termini a quo* and *ad quem* are respectively the great Domesday Survey of 1086 and a Survey of Forncett, the manor in question, drawn up in 1565. On the basis of these two records, the first chapter presents a picture of the land and the people of Forncett. For the intervening period a great variety of documents, largely manorial, are drawn upon. These are listed

in Appendix I, and the most useful of them are printed in a number of additional appendices which constitute a valuable adjunct to the monograph. Although Fornsett is comparatively rich in material, there are some unfortunate gaps. Thus the period 1307-1376 is left almost entirely dark. Consequently we cannot see at close range the workings of the Black Death and the first Statutes of Laborers. On the whole, however, there is abundant matter to furnish concrete illustrations of the fundamental economic changes during the Middle Ages, such as the gradual commutation of bodily service and dues in kind into money payments, the development of the system of leases, the growth of inclosures, and the gradual disappearance of serfdom. The value of such a study consists mainly in the possibility of throwing new light on questions which have hitherto been dealt with too summarily; its limitations lie in the fact that it may not be typical. Hence many more manors should be studied in the same way and it is to be hoped that this book will be an incentive to that end.

**Davis, H. O.** *One Thousand Pointers for Stock Raisers.* Pp. 548. Chicago: Davis Stock Food Co., 1906.

**Davis, Michael M.** *Gabriel Tarde: An Essay in Sociological Theory.* Pp. 117. Price, \$1.00. New York: Columbia University Press, 1906.

In view of the fascination inherent in Tarde's discussion of imitation, and the great literary skill shown in its presentation, as well as the many excellent public services rendered by him, it has occasioned some surprise that his theories have aroused so little careful and critical consideration. Dr. Davis had therefore an excellent opportunity to review Tarde's accomplishments, and the result is very creditable. After reviewing and summarizing Tarde's positions the author introduces some evidence to show that Tarde only partly understood the rôle of imitation and has consequently over-estimated it. The criticism is well taken. So, too, is the criticism based upon Tarde's neglect or ignorance of the work of others which might have saved some missteps. The author gives him great credit for original and suggestive discussions. Students of social theory will find this monograph of interest and value. Dr. Davis is to be congratulated upon his successful work as shown by this his doctor's thesis.

**Dorsey, A.** *The Pawnee Mythology.* Part I. Pp. 546. Price, \$2.00. Washington: The Carnegie Institution, 1906.

This volume continues the series of excellent studies of the Caddoan stock made by the author since 1903, at first under the Field Columbian Museum of Chicago, latterly under the Carnegie Institution. One hundred and forty-eight tales are included in this collection. In bringing this volume to the attention of our readers *THE ANNALS* would again express its appreciation of the value of the work being done by the author and others in preserving this genuinely native American folklore.

**Dudley, E. S.** *Military Law and the Procedure of Courts-Martial.* Pp. viii, 650. Price, \$2.50. New York: John Wiley & Sons, 1907.

This is a manual of the military law of the United States in a form at once complete and compact. The author is professor of law at the United States Military Academy at West Point, and is therefore especially qualified to treat the subject chosen. The text is supported by exhaustive references to cases reported, to the army regulations, articles of war and revised statutes, as well as the manual for courts-martial and other official sources of the military law of the United States. A valuable appendix contains a number of important military documents pertaining to the conduct of trials in the field and similar subjects. The analysis of the subject matter treated is critical without being dry, and a wealth of illustrations helps to make the reader appreciative that he is dealing with a living subject.

Not the least valuable feature of the work is the excellent index covering 108 pages. This work has been so thoroughly done that the treatment of any phase of the field of military law can be found at a glance. The volume, as a whole, is a most convenient summary, and is written in a style which makes the subject intelligible not merely to scholastic circles, but to the general reading public as well.

**Duplessix, E.** *La Loi des Nations.* Pp. 234. Price, 7 fr. Paris: Larose et L. Tenin, 1906.

This work was awarded the first prize in the contest opened by the International Bureau of Peace, in 1905-06, for the best work on arbitration and the organization of a complete system of international justice. The treatise is written in the belief that most international conflicts arise from the fact that there is no clearly defined law regulating their relations. Arbitration is only a makeshift so long as there is no definite body of law upon which to base the decisions of the arbitral courts. These courts should, it is contended, be of a permanent character. An outline of a plan of procedure to accomplish these objects is given which is clear and simple but which of course, cannot claim to be exhaustive. The book is well arranged and full of suggestive ideas.

*Ein Land der Zukunft.* Pp. 274. Price, 5m. München: J. Creger, 1907. Reserved for later notice.

**Finot, Jean.** *Race Prejudice.* Pp. xvi, 320. Price \$3.00. New York: E. P. Dutton & Co., 1907.

This is a translation by Florence Wade-Evans of a very valuable French book. The English title is perhaps open to criticism. Prejudice is the same as the word used in the original, but the meaning is somewhat different. The author is really discussing the hypothesis of race, the assumption that races are superior and inferior, not the concrete ways in which that assumption finds expression.

The author is definitely attacking the thesis that there are important physical and mental differences between races. He knows all the evidence heretofore presented in defense of this position, and he brings into great

prominence the divergencies and contradictions of its defenders. Possibly at times he overstates their difficulties. On the whole it is coming to be admitted by the most careful students that the old popular explanations need revising. The author concludes that neither by length nor shape of head, nor by stature, nor by color even is superiority of one stock over another to be shown. He does not hesitate to assert that the negro groups, now generally considered at the bottom of the human ladder, are proving, whenever the opportunity is furnished, that the same ability is theirs which has marked other races. Altogether the volume is a most stimulating and suggestive analysis of race differences and deserves wide use in this country where race problems are becoming so acute.

The question: "Are these peoples condemned to remain eternally inferior to others?" is answered with an emphatic negative. The science of inequality is emphatically a science of white people.

The general thesis of the writer is sound. Some of the individual illustrations and bits of evidence are probably overdrawn or not understood. His discussion of the situation of the negro in the United States is scarcely fair.

**Fleming, W. L.** *Documentary History of Reconstruction*. Vol II. Pp. xiv, 480. Price, \$5.00. Cleveland: The Arthur H. Clark Co., 1907.

With this volume Professor Fleming completes his study of reconstruction. Over 330 documents are in part reproduced. There are five illustrations, including a portrait of one of the early South Carolina legislatures. The plan of the volume corresponds to that of the first. The aim is to show by quotations just what the different groups of those concerned thought and did.

The volume begins with Chapter VII, The Union League of America. Nineteen pages are devoted to this. "The league is important as the first of the great negro secret societies and was a model for most of them. These societies are a most important, and, on the whole, useful factor in negro life to-day."

Carpetbaggers and Negro Rule is the title of the eighth chapter, which covers 132 pages. The thoroughness of the author's classification is well shown by this chapter which includes these sections: (1) The New Ruling Class and their Administration (20 pages); (2) Frauds, Taxation and Expenditure (14 pages); (3) The Reconstruction Militia (8 pages); (4) Political Methods of Reconstruction (12 pages); (5) State and National Politics (9 pages); (6) Federal Control in State Affairs (39 pages); (7) The Washington Administration and the Dual Governments, Louisiana and Arkansas (24 pages). The carpetbagger and his friends are considered "weak and corrupt rulers."

Fifty pages are given to the educational problems. "The problems with which reconstruction began are, on the whole, unsolved except in so far as Armstrong and Washington have solved them." Forty-four pages are devoted to the reconstruction in the churches. The subject of Chapter XI (62 pages) is Social and Industrial Conditions, while Chapter XII (48 pages) discusses the Ku Klux Klan, and the closing chapter (78 pages) The Undoing of Reconstruction. Of these latter subjects the author says: "One of the most po-

tent causes of irritation between the races was the constant discussion, mainly for political purposes, of the question of social rights for the negroes." "The lynching habits of to-day are due largely to conditions, social and legal, growing out of reconstruction." "Theoretically the races are now equal before the suffrage laws, though most of the blacks are shut out." The political power has been changed from the black to the white counties.

This brief summary of the topics and the methods of the author but illustrates the scope of the work. The verdict is that Dr. Fleming has produced a very fair and candid work which will be of great help to all who wish to get a first hand idea of the great and enduring problems arising out of the Civil War and subsequent conditions.

**Forbes-Lindsay, C. H.** *Panama*. Pp. 368. Price, \$1.00. Philadelphia: J. C. Winston Co., 1906.

Ever since Balboa discovered the Pacific men have been endeavoring to find a way of transporting sea-going vessels across the Isthmus of Panama. It is the story of these endeavors with a brief description of the country that the author undertakes in the above work. The material, as one gathers from the preface, is collected chiefly from government reports, and the book is largely an abstract of these reports and the opinions of distinguished engineers. It is in perfect accord with the policy of the present administration and gives a good idea of the work which has already been accomplished toward the completion of the canal up to the adoption of the plan for the eighty-five foot level.

**Garcia, Juan Augustin.** *Memorias de un Sacristan*. Buenos Aires: Coni Hermanos, 1906.

All factors of a transplanted civilization are modified by the conditions and peoples encountered in new surroundings. Even religion is molded in details by the country in which it is established. The truth of these statements, especially as regards Christianity in the eighteenth century in the Argentine, is the theme of this series of word pictures presented half in the form of a story, half in the form of testimony of contemporaneous observers. To English speaking peoples the eighteenth-century Argentine is a closed book. In this small volume are described numerous characteristic features of that society far away in time and distance. The modification of the attitude of the priests by the character of the people among whom they lived, the curious Indian and negro evil spirits, belief in which grafted itself upon the church, the negro slave market, the dissensions of the religious orders and many other distinctive features of the colonial life—especially on its religious side, are vividly presented. The book suffers as well as gains from the manner of presentation, for though "based on original and authentic documents" its first object is evidently to entertain rather than instruct, and the reader cannot but wish that the author would put in authoritative form the facts presented here to appeal to the public at large.

**Gorst, J. E.** *Children of the Nation*. Pp. x, 297. Price, \$2.50. New York: E. P. Dutton & Co., 1907.

Reserved for later notice.



**Gourdin, Andre.** *La Politique Française en Maroc.* Pp. 274. Price, 6 fr. Paris: Arthur Rousseau, 1906.

This book is published to present a comprehensive and impartial view of the conflicting interests in Moroccan politics. Nevertheless the reader cannot remain unconscious that a Frenchman is writing, and that behind his desire to give impartial treatment to all, there is a decided hope that France will be able to achieve her ambition to dominate all the important trade routes leading to the south across the Sahara.

An extended historical summary prefaces the treatment of the present-day situation, tracing the relation of Morocco to Europe from the beginning of modern history. The description of the efforts to eliminate the opposition of other European powers to the predominance of French interests at the court of the Sultan is especially well done. During the early period England, jealous of her control of the Mediterranean by the fortress of Gibraltar, stood staunchly for the policy of maintaining the *status quo*. With 1901-02, however, a change came. France agreed to give England a free hand in Egypt in exchange for freedom from English interference in the West. Spain followed the lead of England in removing her objections and Italy exchanged her interests for the recognition of predominance in Tripoli.

Then came the complaint of Germany against her isolation from the agreement which, by its various branches, had now become European. At first, the author intimates, Germany wished to get France to guarantee her a free hand in the Balkan provinces when Austrian affairs should come in question, then the attempt was made to break France away from the English interests. Failing in these ambitions, the Empire, at the conference at Algeciras yielded without opposition on all points but the bank and the policing of the coast towns. On these points a compromise was accepted which was really only designed as one to save German pride. The outcome the author regards as a triumph for France on all important points. It must be admitted that the latter portions of the book present only facts familiar to everyone who followed the controversy in the newspapers. To-day the book is, however, an excellent summary of the foreign relations of Morocco despite its French tinge.

**Gulick, L. H.** *The Efficient Life.* Pp. 195. Price, \$1.20. New York: Doubleday, Page & Co., 1907.

The part that health plays in making it possible to live the efficient life is the theme of Dr. Gulick's book.

This book is almost unique among books on health in that it gives practical suggestions to the busy man as to how to "run his physical machinery." It recognizes fully the difficulties of the hard-pressed city man: that oftentimes he has not the time for any slow cure, but must get the immediate result that a stimulant or a drug will give. While admitting that "there are times when a treacherous ally is better than none," Dr. Gulick points out that the stimulant and the drug are but makeshifts and must be counteracted by a period of rest and a physician's examination and advice.

The author points out that a disease of one function may be caused by unsuspected disturbance in some entirely unrelated portion of the body. For instance, indigestion is frequently caused by some unsuspected disorder of the eye. He dwells on the great strain put upon the eye by the modern man, and suggests that if one must utilize time on the cars or on the trains for reading, he select some book which requires much thinking and little reading.

Each chapter deals with one point and one only and presses this home; all chapters point to the conclusion that to play the game efficiently, one must be a good engineer of his physical machinery.

The experience of a practical man of affairs as well as physician recorded in *The Efficient Life* recommends the book to business men and women as a health hand-book which will relieve rather than add burdens to the pressure of life and which will make efficiency in work easier and work itself more efficient.

**Hamilton, A.** *Afghanistan*. Pp. xxi, 562. Price, \$5.00. New York: Chas. Scribner's Sons, Importers, 1906.

Reserved for later notice.

**Hamilton, C. H.** *A Treatise on the Law of Taxation by Special Assessments*. Pp. lxxv, 937. Price, \$7.50. Chicago: George I. Jones, 1907.

Reserved for later notice.

**Hamlin, C. S.** *Interstate Commerce Acts Indexed and Digested*. Pp. 480. Price, \$3.50. Boston: Little, Brown & Co., 1907.

This work contains the text of the important laws of the United States relating to railroads, shippers, etc., as officially printed by the Interstate Commerce Commission, including the original Interstate Commerce Act of February 4, 1887, and amendments, and the Act of June 29, 1906; the acts in relation to testimony before the commission; the acts concerning immunity of witnesses; the Act to Expedite Hearings; the so-called Elkins Act as amended; the Act of August 7, 1888, as to Government-aided railroad and telegraph lines; the Safety Appliance Acts, the Resolutions concerning Investigation of block signal systems, interlocking signals, examination of railroad discriminations and monopolies in coal and oil; the Act of June 1, 1898, as to arbitration between carriers and their employees; the Sherman Anti-Trust Act; the unrepealed provisions of the Wilson Tariff Act as to trusts in import trade; the Act of June 11, 1906, relating to the liability of railroads to their employees, and others. To these are added a consolidated index of the principal words and phrases used in the above Acts, a concise digest of the laws, and citations of all uses of the same words and phrases in the different Acts. Changes in earlier laws are indicated on the margin of the text. The work is intended for the use of lawyers, railroad officials, shippers and commercial bodies.

**Heath, H. L.** *The Infant, the Parent, and the State*. Pp. 187. Price, 3s. 6d. London: P. S. King & Son, 1907.

This is one of a number of recently published English books, dealing with the growing social problem of infant mortality. It is comparatively easy

reading, although sufficiently concise to emphasize properly the magnitude of the question. Statistics are sparingly but effectively employed, and the chief causes of the present conditions are distinctly set forth. One noteworthy feature is the contrast shown between the influence of natural and artificial food upon the lives of babies. Attention is paid to the methods of infant feeding, and an extended discussion of the milk supply is included, the importance of which can hardly be exaggerated. The chapters on "Parentage" are timely ones, and portray the pressing need of greater parental responsibility. This factor is both social and individual.

The author gives an account of the existing agencies for saving infant lives and indicates others required if the problem is to be solved. Criticisms of present methods are likewise offered and many valuable suggestions are made. The illegitimate infant receives a short treatment in a final chapter. The book deserves wide reading and can be made useful in educating public opinion to a better realization of the gravity of this problem.

**Hinckley, F. E.** *American Consular Jurisdiction in the Orient.* Pp. xx, 283.

Price, \$3.50. Washington: W. H. Lowdermilk & Co., 1906.

This is the most scholarly and exhaustive treatise that has yet appeared on the extraterritorial jurisdiction enjoyed by American consuls in the East. An introductory chapter gives a brief historical resumé of extraterritorial rights in the Orient showing that extraterritoriality was not formerly as now considered a derogation on the sovereignty of the granting state but a development of the common idea that law applied to persons rather than territory. Another interesting fact brought out is that reciprocal grants of extraterritorial rights are not unknown between Oriental powers and even between an Oriental and a Christian power, witness the treaties between Spain and Tripoli, of 1782 and 1840, and the treaty between Great Britain and Turkey regarding Malta (1809).

With the exception of this introductory chapter the volume is devoted exclusively to grants of extraterritorial power to the United States. The thorough character of the treatment given can best be indicated by the chapter headings which are: The United States Oriental Treaties; Acts of Congress Establishing the System of Consular Courts; Legal rights under the Jurisdiction Nationality, The Rule of Domicile, Marriage, Inheritance, Persons Accused of Crime, Missionaries, Real Property, Taxation, Commercial Privileges; The International Tribunals of Egypt, Mixed Cases in China; The Foreign Municipalities of Shanghai; Grounds for Relinquishing Jurisdiction. An appendix gives various documents connected with the subjects treated. The style in which the book is written is clear, the statement exact. The exhaustive footnotes place the source material easily at the service of one who wishes to consult the original authorities.

**Holt, B. W.** (Editor). *The Gold Supply and Prosperity.* Pp. xv, 261.

Price, \$1.00. New York: The Moody Corporation, 1907.

An able introduction and conclusion by the author, with a symposium of twenty-two papers by leading authorities on various phases of the gold supply question, makes up an interesting and attractive book.

In summing up the statements in the various papers of this symposium the following points are brought out: First, that for many years the output of gold will increase rapidly; second, that therefore, a depreciation in the value of gold will inevitably result. This depreciation, with its accompanying rise in prices will result in rising interest rates. Rising prices and wages mean dwindling profits and trouble for the manufacturer; and even then, wages will not rise as fast as profits, and this will lead to dissatisfaction and unrest among the wage-earners. The long period of rising prices is therefore sure to be a period of "unrest, discontent, agitation, strikes, riots, rebellions and wars." In the words of the *Wall Street Journal*: "No other economic force is at present in operation in the world of more stupendous power than that of gold production."

Like several books which have appeared during the past few years, the author takes one item, in this case the gold supply, and attempts to show that "all the ills that flesh is heir to" arise from this one cause. Such an attitude is sometimes described as faddism and sometimes as fanaticism, but, regardless of which term is used, it is not the part of wisdom to state that all of our problems can be traced to such an artificial thing as the gold supply. On the whole, however, the book is well written, and represents a valuable compilation of knowledge in this field.

**Homan, James E.** *Self-Propelled Vehicles.* Pp. vii, 598. Price, \$2.00. New York: Theodore Audel & Co., 1907.

Mr. Homan's work on the automobile has proven so useful that an annual edition has become necessary. The revision for 1907 is up-to-date in every particular. Like its predecessors it contains in chapter one a brief history of self-propelled road vehicles, the rest of the volume is devoted to a very complete description of the leading types of gasoline, electric and steam motors and of the vehicles propelled by such motors. There are 400 well-executed illustrations. The volume is a useful handbook for the owner of an automobile, and is also calculated for use as a manual for class instruction.

**Hord, J. S.** *Internal Taxation in the Philippines.* Pp. 45. Price, 50 cents. Baltimore: Johns Hopkins Press, 1907.

**Houthuysen, C. L.** *Het Agrarisch Vraagstuk in Nederlandsch-Indie.* Pp. 206. Antwerp: F. Janssens-aethonis, 1906.

*Industries a Domicile en Belgique, Les.* Vol. VIII, 658. Brussels: J. Lebègue & Cie, 1907.

The subject matter of this volume relates to Belgian industries in which home work predominates. Different manufactures, such as those of chairs, women's garments, ropes, etc., are treated separately in the form of monographs. The principal points discussed are the economic and commercial organization of the industries in question, wages and labor conditions, and the status of legislation in respect to these industries.

**Jameson, L. F.** (Editor). *Original Narratives of Early American History.*

Three vols. Price, \$3.00 each. New York: Chas. Scribner's Sons.

See "Book Reviews."

**Johnston, Alexander.** *American Political History, 1763-1876.* Part II, The Slavery Controversy, Civil War and Reconstruction, 1820-1876. Pp. vi, 598. Price, \$2.00. New York: G. P. Putnam's Sons.

This volume elicits the same commendation that the first volume secured. There is the same admirable sanity, solidity, and fine scholarship displayed in all of Professor Johnston's short studies that here make up the several chapters. This volume relates chiefly to the predominant theme of our national politics between 1820 and 1876, viz: slavery and its treatment. Eight chapters deal with the major questions in controversy before the Civil War. Chapter IX, of 100 pages, presents succinctly the history, issues and leaders of the political parties from 1824-1861. Four chapters give us the chief events and issues of the Rebellion. In two chapters we have Reconstruction and its perplexities acutely and compactly discussed. Two chapters on The Electoral College and its History and Political Parties after 1861 close the volume.

Each chapter concludes with a bibliography more or less extensive, originally prepared by Professor Johnston and supplemented by Professor Woodburn.

The editor's method of citation and cross reference cannot be commended either for lucidity or serviceableness. He reproduces in the main the method used by Professor Johnston in Lalor's *Cyclopedia* which therein was workable but in this volume is not.

These criticisms aside, Professor Woodburn has done students and public alike a substantial service by bringing together these illuminating discussions by a profound student of our nation's history and institutions. Professor Johnston's acuteness in discerning the vital and fundamental facts in the currents of our political life, his remarkable industry, accuracy and thorough-going research constantly impress one. Since his untimely death in 1889 American students have eagerly delved without limit and without stint and published voluminously, but few have disturbed his findings or conclusions.

**Kobatsch, Rudolf.** *Internationale Wirtschaftspolitik.* Pp. xxv, 473. Price, 12 marks. Vienna: Manzsch, 1907.

International traffic constantly increases both in its compass and contents. New states and new products constantly enter into this traffic. An ever-increasing number of members of the separate economic systems of the world become personally and materially involved in this world-traffic. This naturally suggests the query whether the policy which seeks to master this gigantic traffic must blindly change and fluctuate from extreme hostility to the entrance of foreign citizens, ships and wares to the other extreme of full freedom and international brotherhood, for which study the role which capital plays in international traffic has as yet been only slightly observed and frequently misjudged. The literature upon these respective questions, although rich in compass, offers rarely the desired information, and frequently represents the party views of particular groups of persons interested in international traffic.

In view of this scientifically unsatisfactory condition it appeared worthy of research to test whether there is any method with the help of which the



whole international traffic and its policy can be scientifically grounded and in a satisfactory way cleared up. Although the valuable services, which the branches of the inductive method, particularly statistics, and also the older deductive method have rendered, must be recognized, yet it appears that one can attain a scientific command of this mighty object of investigation only with the help of the method of historical development. On the basis of this procedure is examined the differentiation of the national economic systems, the rise and establishment of particular kinds of international traffic, as also the general development of laws for its management.

The book supports the hypothesis that the causes of conflicts in the course of development of international traffic are constantly at work and becoming more numerous and mighty, but at the same time the consciousness of the community of interest is growing stronger. The author believes that the victory of the pacific over the polemic principle in international economic policy may be confidently prophesied. In order to present the problems of international economic policy to the best advantage the proposition is advanced that international economic policy must be elevated to the rank of an independent science with its own instructors, seminaries, adjuncts, etc., as only in this way will it be possible to study and clarify all the details and controversies involved.

**Konkle, B. A.** *The Life of Chief Justice Ellis Lewis, 1798-1871.* Pp. 285.

Price, \$3.50. Philadelphia: Campion & Co., 1907.

This is the third biography of eminent Pennsylvanians written by Mr. Konkle. Ellis Lewis was one of the leaders of the Democratic party, and the author's main purpose in writing his biography is to present the counterpart of the Whig and Republican movements which constitutes the main theme of the author's life of Thomas Williams.

Mr. Konkle traces the political career of Lewis in chronological order. During all his life he supported the Democratic party in state and nation. On national issues, he began with the support of Jackson's administration and ended with the defense of the Kansas and Nebraska act. In state affairs, he was in sympathy with the movement for the extension of the elective principle adopted by the Constitutional Convention of 1837 and the extension of the same principle to the selection of judges in 1851.

In the absence of any general political history of Pennsylvania, biographies like these meet a distinct need, and Mr. Konkle's legal training, his knowledge of Pennsylvania leaders and characteristics qualify him to supply this need. It is, therefore, to be regretted that a work of much promise and great possibilities is marred by many defects. The author's genealogical knowledge has led him to introduce biographical sketches and unessential details of contemporary Pennsylvanians into the body of the text with the slightest excuse. As a result, his style is diffuse. A typical illustration is found on page fifty-five. After making mention of the political leadership of Dr. Michael Leib and William Duane, the author adds: "Allied with these had been Alexander Dallas, of Philadelphia, 1759-1817, and his son, George Mifflin Dallas, 1792-1864, the former of whom had been a most distinguished cabinet

officer, while the latter was at this very date deputy attorney-general for Philadelphia, and his brother-in-law, William Wilkins, 1779-1865, was the president judge of the 'Old Fifth District of Pittsburg.' In case this detail is really to the point, several sentences should be used to express it. The reader is wearied by the continual insertion of the date of birth and death especially when, as is often the case, this insertion conveys a wrong impression. Whenever the author passes from the analysis of complex political situations to the narration of simple events his style is clear. The print and illustrations are excellent. The index is good.

**Lee, John.** *Religious Liberty in South America.* Pp. xiii, 255. Price, \$1.25. Cincinnati: Jennings and Graham, 1907.

This volume contains an account of the movement initiated by the Methodist ministers of Chicago, in 1894, against religious intolerance and the persecution of Protestants in the Republics of Peru, Ecuador and Bolivia.

Two things were attempted by this committee. First, 'To secure liberty of worship.' The constitutions of these three republics were similar in the statement that the religion of the state should be Roman Catholic, and all other beliefs should be excluded. Instances are cited, showing the punishments and other indignities suffered by the Protestants. The clergy have opposed every step of the civil authorities toward religious toleration. Second, "To legalize marriages among the non-Roman Catholic populations of these republics." Laws and cases are reviewed to sustain the contention that a legal marriage between two Protestants in either of these countries is impossible; that no Protestant clergyman is allowed to perform the ceremony, and that children born after Protestant marriages are considered illegitimate and cannot inherit property.

Through the persistent efforts of this committee, the recognition and registration of Protestant marriages were secured in Peru. They also secured a modification of the laws discriminating against Protestants in Ecuador and Bolivia. This was accomplished by obtaining opinions from public leaders—American and Foreign, Protestant and Catholic, and through the interest taken by the Catholic, Protestant and secular press. These communications and articles, together with the correspondence with the state department of the United States are included in the work and commented upon.

The volume points out flagrant conditions and aims to create a sentiment against existing religious intolerance. It is of special interest to students of religious, social and political conditions, and from either of these standpoints is scientific.

**Lemaire, R.** *Les Origines du Style en Brabant.* Pp. 312. Brussels: Vromaut et Cie., 1906.

**Morgan, L. H.** *Ancient Society.* Pp. viii, 570. Price, \$1.50. Chicago: Charles H. Kerr & Co., 1907.

This is a reprint for popular use of the well-known book issued twenty years ago but which still has value for the student of social development.

**Moses, B.** *The Government of the United States.* Pp. 424. New York: D. Appleton & Co., 1907.

This is a sketch of the organization and general methods of working of the United States Government. The subject matter rather outruns the title, as all grades of government, and not the national alone, are covered. The text is well divided into topics averaging a page in length, each of which is followed by a short list of topics and references. At the end of each chapter a larger bibliography is added to aid in advanced study. The style of the work is pleasing and there is no unnecessary padding.

**Muensterberg, G.** *Amerikanisches Armenwesen.* Pp. 120. Price, 2.40m. Leipzig: Duncker und Humblot, 1906.

The attention of social workers should be called to this very excellent description of American charities and charitable problems. Readers of "Charities" have noted during the last few months several articles on this topic by Dr. Muensterberg. These are included with much more material in the present pamphlet. Dr. Muensterberg, the well-known head of the Public Poor Relief System of Berlin, visited the United States in 1904, made some personal observations in the eastern half of the country, and collected a great mass of written material. He has attempted to interpret American problems to the Germans. He has succeeded unusually well in catching the essence of these problems, and in portraying the spirit in which they are being met. The topics specifically discussed, aside from his general impressions, are immigration, public poor relief, the organization of charities, public supervision of charitable effort, child saving, juvenile courts and settlements. The pamphlet is to be commended to those who wish to see ourselves as others see us.

**Newman, George.** *Infant Mortality a Social Problem.* Pp. 356. Price, \$2.50. New York: E. P. Dutton & Co., 1907.

The problem of infant mortality is one of rapidly increasing importance, and its social, no less than its medical, phase is obtaining due recognition. A distinct advance has been made when an entire volume can be devoted to a treatment of this subject. The author—an English physician—writes concerning the conditions in England as he finds them. His familiarity with his theme is unquestionable, and the volume of facts and statistics that he has arranged and co-ordinated is a proof of painstaking effort.

In his discussions, he covers the entire gamut of causes and remedies, suggesting what is most important and essential to the problem. He points to the unwelcome fact that the infant death rate has remained stationary for half a century, although science and medicine have meanwhile witnessed most wonderful triumphs. The author emphasizes two dominating causes: The first involves questions of domestic hygiene, ignorance of household management, filth and poor preparation of food; the second concerns the feeding of infants, in which the amazing ignorance of mothers is a chief cause of the waste of child life.

Preventive methods are treated under three heads—the mother, the child,

and the environment. One of the first requirements, if the evil is to be remedied, is to "obtain a higher standard of physical motherhood." The wide differences between rural and urban death rates from immaturity attest to the baneful influences upon the mother of the many bad social conditions of city life. Furthermore, the education of the mother in infant management and domestic economy is an invaluable training. Industrial employment of women is harmful largely on account of the absence from home which is occasioned, the direct effects of which are scarcely noticeable. Protection and artificial feeding of infants is discussed, and the pernicious effect of the latter is clearly indicated. The function of the milk depot as a factor in saving children, its working and proper management are given attention, and some of the beneficent results which have been achieved are recorded. The author contends for an increased control over the milk supply, since otherwise the efficiency of preventive methods is measurably nullified.

It is earnestly hoped that books of this character will succeed in stimulating American public opinion to a similar recognition of our own menacing problem of infant mortality, and to more resolute attempts to mitigate existing conditions here, which, as far as recorded facts enable us to ascertain, disclose a picture even darker than that of England. Hence the greater need of profiting from the works and conclusions of writers on this subject.

**Pierson, Ward W.** *Civics of Pennsylvania*. Pp. 180. Boston: Ginn & Co., 1906.

The brief review which Mr. Pierson has here given us of the frame of government of Pennsylvania is comprehensive and instructive. In a volume of a little more than a hundred pages, exclusive of the constitution of the state, there are summarized the main facts of the legislative, judicial and administrative functions of the Keystone state.

A brief history of the early development of the proprietary government, and local government in the province, prefaces the main topic which is the present organization of the commonwealth. The outline of the administrative departments, and the various executive boards and commissions, is clean and well arranged; the discussion of the legislature and its proceedings particularly concrete. The courts receive due attention in Chapter VI. The county and the township as governmental units have a chapter each, as well as municipalities, whose consideration is necessarily brief in a work of this size. Education, suffrage, elections and taxation are the subjects of the concluding chapters. At the end of each chapter, questions on the text add to the usefulness of the book.

**Pond, Oscar Lewis.** *Municipal Control of Public Utilities*. Pp. 115. Price, \$1.00. New York: Columbia University Press, 1906.

"A study of the attitude of our courts toward an increase of the sphere of municipal activity" is the sub-title of this latest addition to the literature on municipal ownership. Legal rather than economic in its discussion, it is rather more interesting to the student and general reader than most purely legal treatises.

From the cases cited, Mr. Pond concludes that: 1. There is no constitutional objection to the grant by the legislature of wide powers to cities to own and manage public utilities and the term "municipal purpose" has been most broadly construed. 2. The power to furnish water, gas, etc., for the private use of its citizens is implied from the power to furnish such utilities for use upon its streets, in the absence of express legislative authority. 3. The courts have refused to make any distinction, as regards the principle of no taxation or alienation of city property, between that used for these so-called commercial purposes and that used for so-called governmental purposes. 4. Franchise grants to private corporations have been construed as not giving *exclusive* rights, unless expressly stated in the charter of the company. 5. The legislature may grant the right to cities to fix maximum rates for gas, electric light, etc.; but in the absence of legislative authorization a city has no such right, unless expressly stated in the franchise at the time of the grant.

The general conclusion reached, from the authorities and cases cited, is that "the attitude of our courts favors a decided increase in the sphere of municipal activity."

**Reid, W.** *The Greatest Fact in Modern History.* Pp. 40. Price, 75 cents. New York: Thos. Y. Crowell & Co., 1907.

*Revenue and Taxation of the State of California, Report of the Commission on.* Pp. 296. Sacramento: State Printing Office, 1906.

This report includes a thorough treatment of the subject of taxation of railroads not only by California but by the other states of the Union. The report is an extremely valuable document that must be appreciated not only by government officials but by all students of economics, and particularly of transportation.

**Réville, A. G., and A.** *Emancipation of the Mediæval Towns.* Pp. 71. New York: Henry Holt & Co., 1907.

**Snider, G. E.** *The Taxation of the Gross Receipts of Railways in Wisconsin.* Pp. 138. Price, \$1.00. New York: American Economic Association, 1906.

This monograph, the plan of which is to be commended, contains a very interesting discussion of the difficulties inherent in the stocks and bonds method of valuing railroads for purposes of taxation. The main thesis of the study is that the gross receipts tax is the superior tax for railroads, and that the rejection of that tax, for the *ad valorem* system in Wisconsin was a mistake. It can hardly be said that the author establishes fully either part of this thesis. His insistence upon the superiority of the gross receipts tax is left unsupported by any outline of a model gross receipts tax law, except that in the appendix he gives without comment the bill proposed by the Wisconsin Tax Commission in 1901. His denunciation of the Wisconsin *ad valorem* system is based on comparisons that are hardly fair and takes no account of the political regeneration that has brought Wisconsin into prominence in recent years nor of the trend of taxation development in the Badger State.



One of the chief arguments advanced by the author for the gross earnings tax rests upon the assumption that railroad taxation must be administered by a more or less corrupt or inefficient body of officers. This is a good general argument, but it is far from being a strong argument as applied to Wisconsin, where the work of taxing the railroads is in the hands of men who make a business, not of politics, but of taxation.

The monograph under review does not, possibly because of space limitations, discuss the two lines of taxation development in Wisconsin which are inseparable from a full consideration of the abandonment in that state of the gross receipts tax. This development has been toward the application of the *ad valorem* tax system to all public service corporations and toward a centralized control of all taxation in the state, which control, if carried to its logical limit of extension will result in the assessment of all property by expert assessors appointed under civil service rules and dependent for continuance in office not on political patronage, but on honest and efficient service. At least until the *ad valorem* system has had a fair trial under the new Wisconsin conditions, the reviewer must defer acquiescence in the conclusion reached in Dr. Snider's very painstaking, and in many respects excellent study, that Wisconsin made a mistake in abandoning the gross receipts tax on railroads for the *ad valorem* system.

**Starke, J.** *Alcohol: The Sanction for its Use.* Translated from the German. Pp. xx, 317. New York: G. P. Putnam's Sons, 1907.

Recent physiologists have reversed the old conclusions in regard to alcohol and contend that it has certain food values. This volume, however, is a thorough-going apology for its extensive use. It bears the earmarks of prejudice and is written in popular style in order to influence public opinion more effectively. The author is apparently quite unmindful of the social consequences of intemperance, nor is he much concerned about them. At best the liquor problem still remains unsolved, and in America, at least, the book, if widely read, could not fail to exercise a pernicious influence, and to promote alcoholism. The bias of the author detracts much from the value of the book.

**Thomas, N. W.** *Kinship Organizations and Group Marriages in Australia.* Pp. xiv, 163. Price, \$2.00. Cambridge: University Press. Putnam's Sons, American Representatives, 1906.

This interesting monograph belongs to the Cambridge Archaeological and Ethnological Series. It is an endeavor to summarize what is actually known and understood as to the Australian systems and to point out the obscure points which need further investigation. It will be of assistance to all who are studying the history of the development of the family.

**Tout, T. F.** *An Advanced History of Great Britain.* Pp. xlii, 755. Price, \$1.50. New York: Longmans, Green & Co., 1906.

This is the final book of the series of volumes written on the "Concentric System," treating the history of England. It is written on the lines of the old style history, and is therefore a chronicle rather than the story of the life

development of a people. Campaigns and royal genealogies, quarrels and intrigues form the bulk of the volume to the exclusion of many important developments in economic, social and literary life which, though no definite dates can be assigned them, are after all essential parts of English history. The bibliographies given are altogether too short and unsatisfactory for an advanced history. In this respect the book leaves much to be desired. As a chronicle of events the work is well done. Numerous maps, plans and tables aid the reader in following the movements described.

**Trine, Ralph Waldo.** *In the Fire of the Heart.* Pp. 336. Price, \$1.00. New York: McClure, Phillips & Co., 1906.

With a strong moral undertone, the book presents rather strikingly a number of the vital facts of our modern industrial system and the problems resulting from it. The first chapter, which is entitled, "With the People; a Revelation," presents in an unusual and striking form a number of the analogies and contrasts of our social conditions. Much of the material is from secondary sources, but it is put together and supplemented in a manner worthy of commendation. The author looks at and deals with questions from a thoroughly national standpoint, placing the welfare of the whole above that of any part, and attempting to show that we can only be prosperous and great so long as we are good and just.

The remedy is dealt with at length. First, "it is through the principle of direct legislation, by means of the initiative and referendum, that we can get the machinery of the government back into our hands and establish a truly representative system of government among us." After showing by careful argument the value of direct legislation, the author, in the next chapter, treats this as but a superfluous thing. Underneath it all, if we are to succeed and be truly great, there must be a stratum of truth and justice, and to this end he suggests that we follow Mayor Jones, of Toledo, and base the conduct of our lives, as well as the conduct of our government and business on the golden rule.

**Vay de Vaya and Luskod, Count.** *Empires and Emperors.* Pp. xxxii, 390. Price, \$4.00. New York: E. P. Dutton & Co., 1906.

This book is based upon the author's diary of travel. He sets out from St. Petersburg, after a personal interview with the Czar, by the Siberian railway to those countries bordering on the Yellow Sea. His mission was to study the various lines of work of the Catholic Church amongst various races. The record of these investigations is made elsewhere; of the present volume he says that his intention "was simply to note what was striking at the moment and what impressed me most vividly."

His narrative is interesting and easy reading but almost free from lengthy discussion of the many problems which the Far East presents.

The author speaks of his "passionate interest in human nature;" this is evidenced to the reader by the fact that one feels actually introduced to the many eminent personages he describes. History, folklore and commercial life in the different countries visited are set down; objects of art are described

and commented upon. The author's own impressions are vivid, enabling him to create local atmosphere for the reader.

It is doubtful if this book adds much to the collected information concerning the manner of life and conditions in the Far East; it may be an old story, but it is told by one who has seen much and felt keenly.

**Weale, B. L. P.** *The Truce in the East and its Aftermath.* Pp. xv, 647.

Price, \$3.50. New York: Macmillan Co., 1907.

See "Book Reviews."

**Wrixon, H.** *The Pattern Nation.* Pp. 172. Price, 3 s. London and New York: Macmillan Co., 1906.

When one picks up this book the first question that occurs is, What and where is the Pattern Nation? On laying it down the same question recurs, still unanswered. Another question is, Might not the book have been condensed, without any loss, into a magazine article of not more than fifteen or twenty pages?

There are passages in the book which seem to indicate that the author considers the semi-socialistic state as being the Pattern Nation, but this is not altogether clear. Neither is it clear that the term "Pattern Nation" is used in derision of the socialistic state, though it is clear that the author believes that complete socialism will prove a failure, if ever attempted. Complete socialism, he says, is based on "the old principles by which despotism has been supported, and under which it used to be maintained that liberty is not the chief design of good government, but the right management and well being of the people is; and that the claims of personal freedom must give way to the great primary purpose of human life" (page 18). The most noteworthy failure to realize this primary purpose is the lack of equality of social condition as a concomitant of political equality (page 57). But this very equality, once secured, will condemn the system, for, though free from most of the hard things in the struggle for existence, the government workman must always remain a workman (page 157). Again, self interest is, always has been, and always will be, the mainspring of human nature. If "the time ever does come when men will rise superior to self, the socialist system might be tolerable; but then men could be safely left to the free system" (page 70). And when it comes to a choice between freedom and socialism, they will choose freedom (page 168).

The author makes no real answer to the contention of the socialist that the freedom the workman enjoys to-day is a mere mockery, that the vast majority are now chained to a dead level by the present industrial system, and that pocketpicking is already "general and respectable by law," and is practiced by the few upon the many. Under socialism, they hold, even at the worst, the few would merely be deprived of their excessive and undue privileges.

## REVIEWS

Allen, William H. *Efficient Democracy*. Pp. x, 346. Price, \$1.50. New York: Dodd, Mead & Co., 1907.

Along with all energetic workers for the betterment of human conditions the author has often discovered his way blocked by an incapable man holding his position because he was considered good. Against such men Dr. Allen uses his weapons to good effect. Negative goodness is greatly overvalued. "To be efficient is more difficult than to be good. Efficiency plus average goodness will accomplish more for human progress and human happiness than goodness minus efficiency. Efficiency develops goodness as time clock and cash register develop habits of punctuality and honesty." "Not long since charity work was relegated to good souls, as was nursing." "We have now pretty generally gone over to the point of view that training, fitness, capacity to perform, are indispensable and by no means co-existent with desire to do, or with mere goodness." From the standpoint of effect this first chapter on "The Goodness Fallacy" is one of the best in the volume.

In the following chapters Dr. Allen is really making a strong plea for the proper recognition of the use and value of statistics. Perhaps no one has done this better. The discussion has particular value because the illustrations are drawn from actual cases encountered by the author. The chapter headings show the topics: Statistics Ostracised, The Business Doctor; then a series of chapters on Efficiency in Schools, Charitable Work, Preventing Crime, Religious Work, Government, Making Bequests. In these chapters there is little to comfort the person satisfied with existing institutions and their results. In brilliant fashion Dr. Allen shows their shortcomings and imperfections. Anyone seeking positive suggestions as to methods of bettering social work will find them in abundance.

The only chapter which seems weak and out of place is the last, which bears the title "A Chapter of False Syntax," though the page heading, "Odds and Ends," seems more appropriate. It is a brief dictionary of social terms. The book would be stronger were this chapter omitted.

A book of this sort is a constant appeal to the intellect and judgment of the reader. At times he is enthusiastic when the author accepts his views, at times mad because his hobbies are attacked, at other times he wonders whether the evidence at hand justifies the position taken. His interest, however, is constant. Yet the author's thesis is simple. He is simply challenging the easy-going satisfaction with things as they are. He asks whether our social institutions are really accomplishing what they might. Do we know? If not, can we find out? How? The result is a most valuable presentation of the proper use and value of statistics.

In brief Dr. Allen has produced a very fresh and invigorating volume to be read with profit by every social worker. If taken in too large doses the constant emphasis put on efficiency is likely to become a bit monotonous. Take this volume with you on your vacation trip this summer. A chapter will interest and arouse a large group when even the popular novel falls flat.

CARL KELSEY.

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**Ashley, Percy.** *Local and Central Government.* Pp. xi, 396. Price, \$3.00. New York: E. P. Dutton & Co., 1906.

The merit of Professor Ashley's book consists in presenting a large mass of valuable information in a form available both for the reading public and for college classes in administration. The author would probably not claim for the work any considerable amount of original investigation, but the secondary authorities have been in the main judiciously selected.

The work is really a text in administration, and, as such, suggests comparison with Goodnow's *Comparative Administrative Law*. As in Goodnow, discussion is confined to England, France, Germany and the United States. Ashley's interest, however, centers in the actual working of administrative machinery; legal discussion is brought in always as throwing light upon some practical problem. This fact makes the book extremely valuable for reference, and its style, if not always fascinating, is sufficiently attractive to reach a comparatively large class of readers. The main thesis—the contrast between the legislative control over local units in England and America, and the administrative control on the continent—is carried through the book with admirable clearness.

Scope and arrangement are perhaps best indicated by headings of chapters. Following an introduction in which the above-mentioned contrast in legal relations is briefly explained, are three chapters upon local administration, in England, France and Prussia. The first division of the work ends with a chapter on the government of American cities. The next three chapters, five, six and seven, constitute a second division. They treat, respectively, the history of local administration in England since the reform bill of 1832, local administration in France since the Revolution, and in Prussia, since the beginning of Stein's reforms in 1806. In the third division, chapters eight to twelve, inclusive, the following topics are discussed: Administrative Law,—Local Authorities and the Legislature,—The Administrative Control of Local Authorities,—The Control of Local Finances,—The Courts of Justice and Local Administration. The literary effect of the work is successful; the elementary exposition is not unduly encumbered, and the chapters dealing with history and with legal relations are given a perfectly definite purpose.

There is, even for a work of this kind, too large a number of technical inaccuracies. Mention is made for instance, in a quotation, of the eleven hundred wards of Philadelphia (p. 198)—the unqualified statement is made that a five-sixths vote is necessary to over-rule the veto of the mayor of New York (p. 199) whereas that majority is necessary only in certain cases. The placing of New York and Chicago in the class of cities whose mayors enjoy only a two-years' term (p. 199), was perhaps correct at the time it was written. Anyone who remembers the jar caused by the misuse of English in foreign texts will regret Professor Ashley's lack of care in the use of foreign terms. The French "jurisdiction" appears as "jurisdiction," (p. 298), the German umlaut is very frequently omitted (pp. 163, 182, 183, 303), com-



pounds are not correctly divided (p. 163)—all of which betrays a lack of careful proofreading.

American readers will probably feel a lack of proportion in the use of some of the material bearing on recent municipal development in the United States. The effect of the discussion of French local administration is to emphasize to quite an unusual extent the weak side of the prefect's position (pp. 79-83). On the other hand, the statement that the Council of State is the "center of the whole administrative system of France" (p. 74), though in a sense literally true, needs more specific qualification than it receives. These are, however, minor faults, which need but slightly militate against the usefulness of a highly convenient volume.

WILLARD E. HOTCHKISS.

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**Bosanquet, Helen.** *The Family.* Pp. 344. Price, \$2.75. New York: Macmillan Co., 1906.

This book is intended as a tribute to one of the most important institutions in human society. The author has done a valuable work in bringing together the results of the most careful investigators into the early history of the institution as well as a study of the modern family. The author believes if the family should ever disappear with the sweeping away of private property that "it will be in no sense a gradual development from the past, but it will be a catastrophe in the moral world." However, while holding firmly to this conviction, she is in sympathy with modern progress. The institution of the family is compatible with, and necessary to secure the best individual development, together with the proper realization of the individual and the welfare of the community.

The history of the family includes a discussion of the patriarchal family and its decay, the pre-historic family accepting Westermarck's conclusions, and a chapter on the family in relation to industry, showing the influence of economic conditions upon its form. We are especially indebted to the author for her study of the modern family, because she makes some valuable contributions. Having found that the possession of land is one of the strongest influences in preserving the unity and continuance of the family, the author looks for some other industrial basis in the modern community. However, in place of industrial co-operation, as in farming communities, she finds among wage earners *economic* co-operation, which consists in contributions towards the maintenance of family by all the wage earners. Also, among all classes, the author finds a family tradition in "trades," forming a basis for binding the generations together. The principal motive arousing the average man to the exertion of his full degree of efficiency is the family; it is the only way of ensuring that one generation will exert itself in the interest of the next. The family finally controls the forces that influence the quality and quantity of population. Here the author makes the point that quantity is only excessive when defective, and, therefore, it is not a question of limitation but of regulation.

The relation of the constituent parts of a family treats of the modifications in the authority of the father as head of the family; the importance of women as spenders, the widening of their opportunities outside of the home with a realization that work must and will be curtailed to meet the needs of a young family.

EMILY FOGG MEADE.

Philadelphia.

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Chadwick, F. E. *Causes of the Civil War, 1859-1861* (The American Nation: A History, vol. 19). Pp. xiv, 372. Price, \$2.00 net. New York: Harper & Bros., 1906.

A better title for this volume would have been Preliminaries of the Civil War. The period assigned to Admiral Chadwick covers less than three years—1859 to 1861. Of course he has found it impossible to say much about causes within this limit, so in many instances he traces tendencies much further back, some even to the beginning of the Union. In nineteen brief chapters the author treats of the social and economic situation in the South, 1850 to 1860, Calhoun's influence on political policies, the John Brown raid, the debates in congress, the presidential election and the resulting secession, attempts at compromise, and the attitude of Buchanan and Lincoln toward secession with special reference to the state of the forts in the South. This period has already been developed by Mr. Rhodes, consequently any later treatment inevitably suggests comparison, and while the comparison shows some points of superiority in the present work, on the whole it must be said that it does not supersede the work of Mr. Rhodes. There are some distinctly original features about the work and some that are not.

One cause for unfavorable criticism is the frequent occurrence of contradictory conclusions. This is to be noticed especially in connection with the treatment of the subjects of slavery, anti-slavery sentiment in the South, the necessity for war, the possibilities of the success of the South, etc. This defect may be due to the necessity of condensation and to the author's habit of making rather sweeping statements of opinion. Another objection to the present work is the ready acceptance by the author of the threadbare traditions about the political and social oligarchy of the South, the Biblical argument for slavery, the renewal of the slave-trade, the expansion of slavery into the western territories, etc. The use of tradition, like the fault referred to above, does not seem to be an integral part of the work, but rather something inserted in order not to omit reference to those classical opinions. The point of view of the writer and the method of the work do not call for it.

The author's point of view is rather unusual. It is neither Northern nor Southern; it is purely a twentieth century military attitude. Hence, the failure to understand the hesitation of Buchanan or the delay of Lincoln, the grievances of the South, the rejection of compromise by Republicans, the indecision of Anderson at Sumter, etc. Secession is mentioned as "the con-

stitutional right of secession." In general there is on theoretical questions a disposition to judge 1850 to 1860 by the accepted theories of 1906.

But aside from these faults the book has many merits. It is written in a clear and lively style—it is the most readable account of the period with which the reviewer is acquainted; there is no better treatment of that tangled business of Buchanan, Seward and Lincoln from November, 1860, to April, 1861; the problem of the southern forts is well stated, and the entire military and naval situation is handled in a masterly way; the sketch of slavery conditions is, except for the slight injection of tradition, very good, for it is based on the sound common-sense use of some good authorities. The faults of the work are not vital, not an integral part of it. A little red ink or blue pencil, would have done much good and would have left the entire work in much better shape.

WALTER L. FLEMING.

*West Virginia University.*

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**Fisher, Irving.** *The Nature of Capital and Income.* Pp. xxi, 427. Price, \$3.00. New York: The Macmillan Company, 1906.

Professor Fisher accurately characterizes his work as "a sort of philosophy of economic accounting." It is a minute and painstaking analysis of the concepts of capital and income and of those relations between them which may be profitably discussed without trenching on the central problem of distribution. The book is divided into an introduction and four parts, as follows: Introduction, Fundamental Concepts (chapters on "Wealth," "Property" and "Utility"); Part I. Capital (three chapters); Part II. Income (four chapters), and Part III. Capital and Income (six chapters). Part IV contains a "Summary of Part III by Means of Diagrams," a "General Summary," and a "Summary of Definitions," and affords final proof, if proof were needed, of the author's determination to spare no effort that may increase the accuracy and precision of his terminology or the clearness of his exposition. The book concludes with a series of appendices, largely mathematical, which further attest the thoroughness of the author's work.

It is one result of the striving after precision of statement and clearness that distinguishes the book, that the principles for which the author contends—overlooking the interesting, valuable and often original and ingenious applications of accounting to the relations between capital and income—may be restated in a few words. Starting out by defining wealth as all material objects owned by human beings—including human beings themselves—and property as rights to the chance of future services of wealth, he insists that the true concept of capital is the total stock or fund of wealth existing at an instant of time, and that the true concept of income is the flow of services from wealth during a particular period of time. The justification of these concepts, criticism of rival concepts, and explanation of the way in which capital and income as here defined are to be treated in the bookkeeping of the economist occupy most of the chapters in Parts I and II. The guiding principle of Part III is that the value of all wealth grows out of the

services which it renders or is capable of rendering to man. Thus the value relation between capital and income runs from income to capital rather than from capital to income. The application of this principle to the valuation of different forms of wealth, whose future incomes are assumed to be known, and when the rate of interest varies in arbitrarily assumed ways constitutes the subject-matter of this part, which concludes appropriately with a discussion of the influence of the element of risk on valuations. As a contribution to economic accounting, this part is the most important portion of the book. Economists may differ from the author as to whether subjective cost plays such a subordinate rôle in the valuation process as he all along assumes, but there can be no difference of opinion as to the value and suggestiveness of his treatment of the relation between capital and income from this one point of view. Some of his conclusions may require restatement when brought into relation with a complete theory of distribution, but as a contribution to one portion of such a theory they are of permanent value.

The contentions of the writer which will arouse the liveliest opposition are those identifying capital with all wealth, and confining income to the flow of services from wealth. To many, if not most, economists the proposed definition of capital will seem too broad, including as it does workers themselves, land, and consumers' goods, side by side with the producers' goods, the products of past production, of the classical definition; while the definition of income will seem too narrow, since it makes no provision for additions to capital out of income. The brief space accorded to a book review will not permit a consideration of the merits of these objections, but some of the criticisms which Professor Fisher directs at rival conceptions of capital and income cannot be passed over in silence.

Economists who still adhere to the time-honored distinction between land and capital will find his discussion of this question far from satisfying. The author appears to believe that he has disposed of it by asserting (note, p. 56) that "the fancied distinction between land and capital . . . is based on a confusion between *quantity* and *value* of wealth." This confusion has doubtless existed in the minds of some economists, but after the exhaustive examination to which the problem has been subjected in recent years, it can hardly persist in those of many. Yet the contrast between land and capital is still made prominent in the thinking of some of the ablest economists of the present day. Are these writers so dominated by tradition that they cannot see what Professor Fisher sees so clearly, or are they conscious of practical grounds for adhering to the distinction which he, in his zeal for the simplification of economic concepts, overlooks? A review is not the place in which to attempt to answer this question, but it may be suggested that it cannot be decided conclusively except in connection with an adequate treatment of the dynamics of distribution.

Even more serious are the doubts that arise as to the expediency of limiting the concept of income to the flow of services from wealth. That we need a phrase to describe this flow of services during a given unit of time

will not be questioned. Other writers, thinking of it in a different terminology, have characterized this "stream of utilities" as the "immediate income." But will it serve a useful purpose to limit income to this, and this alone? From the point of view of distribution—as heretofore conceived—the initial contrast is between the wealth already in existence and the product created during a productive period. A part of the latter merely replaces wealth destroyed in connection with the productive process. What is left, the "net product," is the new wealth added to that already in existence and to be distributed in some way among those who have taken part in production. Economists who have been in the habit of attaching the term income to the money equivalent of this new wealth and of distinguishing this as "money income," from the "real income" or other wealth for which it is exchanged, will hardly give up the practice, because the elements on which the money income rests, commodities and personal services, are "incongruous." Commodities and services are also incongruous among themselves. They are made congruous only by being expressed in their value equivalents in some common medium or through the contributions which they make to the stream of consciousness of the consumer. By emphasizing the thought that it is not commodities but commodity-services which constitute true income, Professor Fisher adds to the clearness and accuracy of our nomenclature, but are commodity-services any more comparable with personal services than commodities themselves except through their value equivalents or through their contributions to the psychic income?

But the author's principal objection to the older concept of "real income" is that it includes savings or additions to capital along with services. This "fallacy" (p. 254) he condemns in Chapters VII and XIV on the ground that it involves double-counting and a confusion of income with capital. That it *may* lead to double counting no one will deny, but that it does so in the case of the economist cited as the horrible example in this connection, Mr. Cannan, does not appear to be established by the passage quoted from that acute writer (p. 248). Mr. Cannan's offense against logic consists in counting savings as a part of income in the year in which they are accumulated, and interest on these savings as income in subsequent years (p. 108). To show the "nature of the fallacy" committed, the author cites the purchase of an automobile and the inaccuracy of crediting the automobile to income when it is purchased and its subsequent uses to income in subsequent years. Quite accurately he insists that the anticipated uses of the automobile are all that give value to the automobile, and that the same thing is counted twice if all the value and the value of *all* the uses are both described as income. Quite inaccurately, however, he identifies the interest of Mr. Cannan's statement with *all* the uses of a durable form of wealth, like an automobile. Mr. Cannan's assumption and the assumption of every careful writer who includes savings or additions to capital in income and interest on this added capital in subsequent years in income is that *the fund of capital is maintained intact*. It is perfectly true that the present value of the fund of capital is due to the income that is expected to accrue



from it in the future. It is also true, however, that normally capital affords a net income or interest over and above the cost of its own replacement, and no double counting results from counting the capital as income as it is saved and the interest on that capital as additional income as it arises. Concretely a man who invests \$100 of his income to-day in a four per cent bond at par may be said to have taken his real income in that form instead of in the form of immediate gratifications. To include the four dollars interest which he receives next year is not double counting. On the contrary, not to include it would be to deprive him of the very advantages he expected to derive from saving his \$100 instead of spending it. It is hardly necessary to point out that the defect in the automobile illustration is that it ignores the distinction between gross yield and net return, or interest. Among the uses of the automobile, some, and these the greater number, should be credited to a replacement fund. The others are the true interest on the investment, and should be credited to income in the year in which they are enjoyed.

If I am not mistaken in my reading of the text, the same oversight which leads Professor Fisher to take Mr. Cannan to task for a fault of which he seems to me quite innocent, leads him into positive and serious error in his discussion of the taxation of appreciating real estate (p. 254). But space will not permit an elaboration of the point. Professor Fisher concludes his discussion (p. 255) by reaffirming the old adage that "you cannot eat your cake and have it too." The point he seems to me to miss is that in the case assumed by Mr. Cannan you do not "eat your cake." It is because you "have it" and continue to "have it" that you have also the interest which it affords. Of course the presence or absence of double counting in the older conception of "real income" is no conclusive argument either for or against it. Here again the final answer must hinge on the use that can be made of this concept or of Professor Fisher's in a complete theory of distribution.

The accusation that including savings in income confuses income with capital is more serious, but is this confusion the fault of the definition or does it merely reflect the intimate relation between income and capital in our actual economic life? The latter seems to me to be the case, and I feel some doubt as to the fruitfulness of a definition which divorces capital from income as completely as does that proposed by Professor Fisher. Certainly it runs counter to some of the notions about income that have become firmly entrenched in our common speech as illustrated by the phrases "capitalizing income," "living beyond one's income," etc.

In conclusion, it must be said that while Professor Fisher presents his arguments in defense of his conceptions of capital and income with force as well as with confidence, it is doubtful whether they will carry conviction to any mind not already prejudiced in their favor. This is because the rival conceptions which the author combats have performed and still perform useful functions in the explanations of the problems of distribution which commend themselves to other economists. Not until Professor Fisher has shown that his conceptions are equally fruitful as tools of economic analysis,

and that with their aid clearer and more consistent explanations of economic phenomena than those now current can be attained, will his definitions be accepted. He is too good an economist not to be impatient to subject his conceptions to this final test. In this treatise they have rendered good service on the skirmish line. Let us hope that the time may not be long delayed when they will be brought to bear on the central citadel of the problem of distribution in a second volume on Capital and Income in which all will be explained which is here taken for granted.

HENRY R. SEAGER.

Columbia University.

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**Forbes-Lindsay, C. H.** *America's Insular Possessions*. Two volumes. Pp. 560 and 566. Price, \$10.00. Philadelphia: The John C. Winston Company, 1906.

These two volumes, handsomely bound, and copiously illustrated by well-selected photographic reproductions of unusual clearness and interest, contain a number of dissertations in the general style and form of Stoddard's Lectures. They offer, concerning each of the American possessions treated, a little history usually referring to the romantic period, a little physical geography, a little anthropology, a little politics, and a little of anything and everything. If they were furnished with maps, they would constitute a useful guide-book. If they had been based a little more on personal observations they would have been good books of travels. As they stand, they are a useful work of reference for the reader who has never visited the islands and who has not read their history, nor studied their present conditions in the current reports. To bring together in so small a compass so much that is likely to interest the "general reader," and at the same time to commit so few and so relatively insignificant errors is an achievement. If the scholar in anthropology, the historian or the expert on modern colonial administration is not aroused to enthusiasm by the book, it is his fault perhaps in knowing too much, rather than that of the work before us.

It is, in a way, characteristic of the work that its title is "America's Insular Possessions," although the volumes include a story of Panama; that the preface says "the following pages treat of the American possessions abroad;" although no word is said of Alaska. The title, the preface and the contents are no more contradictory than many of the subsequent statements. The pages of text which intersperse the excellent photographs, are drawn from readily available sources, with only the scantiest and most meager of unidentifiable references. The contradictions and many repetitions arise from using these different sources without reconciling them. The covers are richly emblazoned with coats of arms which the contents do not describe nor identify and which will not be readily recognized save by one erudite in heraldry. The generally excellent pictures are not always true to their legends. For example, the picture in Volume II, p. 110, of the alleged "head hunter" an "Igorot chieftain (sic) of Neuva Vizcaya" is full of incongruities. Since when have the Igorots had chieftains? Again at p. 126

some Amoy coolies are labeled Chinese Mestizos. But possibly these are errors which will trouble only the ethnologist. An occasional slip in translations as when "del Excmo. Ayuntamiento de Manila" is rendered "his (sic) excellency, the *ayuntamiento*" (p. 115) betrays an ignorance of the elementary ideas of Spanish administration.

Despite these minor defects and the brevity and "scrappy" character of the descriptions, the work will be of value and of interest to those who have no time or inclination to plow through the larger literature and study the reports now so abundant relating to our possessions *ultramar*. It will be well nigh indispensable to those newspapers, magazines and journals which require a ready source for illustrations and sketches of our colonial possessions. But so brief, encyclopedic and from the scholar's point of view obscurely condensed are the descriptions that no detailed review is possible. Discussion of views presented, when the "views" are primarily bald statement of facts, well-known and universally admitted, is impossible. Hence this review can do no better than conclude with a general summary of the contents. Beginning with an historical essay on the Great Antilles, the work then treats of Porto Rico, Guam (a somewhat far cry from the former), Hawaii, and Panama. The second volume takes up the Philippines.

So far as opinions on the current problems of the great questions of colonial administration are given at all, the work "stands pat" with the present American administration.

With all its possible weaknesses and omissions, from the point of view of historical, economic and sociological science, the work is nevertheless the most comprehensive general treatise on some of our outlying possessions in relatively small space and for the "general reader" that exists in the English language.

CARL C. PLEHN.

*University of California.*

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Hobhouse, L. T. *Morals in Evolution*. Two Vols. I, pp. xviii, 375; II, vii, 294. New York: Henry Holt & Co., 1906.

These volumes are "a study in comparative ethics." Indeed the reader's first question is: Why is not the title "The Evolution of Ethics," for this is just the subject discussed. The next thing to impress the reviewer is the coincidence that two such comprehensive studies in this field should appear so closely together. The other is Westermarck's "Origin and Development of Moral Ideas," reviewed in the November, 1906 number of *THE ANNALS*. The points of approach are different, and in a measure the aims are different, but of necessity both works must cover the same ground in part. Dr. Westermarck's book appeared too late to be of service to the author, but it compelled him to insert a defense of his position relative to the punishment of crime, for his attitude squarely opposes the vindictive element supported by Westermarck.

The plan of the author is simple. He is seeking to describe as ac-

curately as is possible with extant information the ethical development of the human race. This means that he must depend upon the statements of others. Suffice it to say that he has gone over an immense literature; that his quotations are apt and accurate; his interpretations in the main sound. Careless statements are not common. Naturally some slips are inevitable, and the author has not escaped, as for example when, on page 53 (Vol. I), in speaking of the Indians, he says: "The clan occupies a single long house," he can refer only to the Iroquois, for elsewhere the "Long House" was unknown. Again, a larger knowledge of the facts would have modified the statement on page 328 (Vol. I): "Unfortunately, the legacy of slavery remains in the Southern States taking, on the one hand, the form of the most horrible personal cruelties which disgrace any nation claiming to be civilized, and on the other hand the efforts to re-introduce slavery by a side wind through the corrupt use of the criminal law;" or, again, "that the color line is the last ditch of group morality." Such blemishes are relatively unimportant, however. The author is to be highly complimented for the general excellence of his work.

The topics discussed in the first volume are, "The Forms of Social Organization," "Law and Justice," "Marriage and the Position of Women," "Women in the Civilized World," "The Relations between Communities," "Class Relations: Property and Poverty." The general thesis of Mr. Hobhouse is that at first all morality is group morality, the individual counting for little and having little initiative. Class differences arise very early. The growth of authority is hostile to individual freedom. Ethical and religious progress counterbalances this ultimately. The group morality presses more and more heavily for many stages, but finally "the modern state comes to rest more and more on the rights and duties, the obligations and responsibilities that we include under the ethical and legal conception of personality." The development is thus a realization of humanity.

In the second volume are treated the subjective phases of the subject; the development of thought. An able summary is given of the different systems of religious thought from ancient to modern times. The last three chapters deal with the development of ethics under the heads, "Philosophic Ethics," "Modern Ethics," and "The Line of Ethical Development."

The author is far from being a materialist; indeed he stands much nearer the other extreme. Physical factors may condition moral progress, but do not cause it, for moral reforms are brought about by moral forces. By slow stages the mind has advanced and formulated its thought to aid in social evolution. Society roughly reflects the development of the conceptions. Progress depends on nothing automatic, but on an increasing domination by the mind. Mr. Hobhouse is friendly to religion, but he thinks of ethics as something surpassing any existing religious system. His representation of theological conceptions is accurate, but critical, and the adherent of any given system will scarce be satisfied with the author's refusal to consider it as final.

The volumes are valuable not merely as expositions of the practices and

ethical theories of a vast number of human races, but for their clear declarations of the influence of the world of mind—the spiritual—over the world of matter. They are to be commended to every careful student of human thought.

CARL KELSEY.

*University of Pennsylvania.*

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Hosmer, J. K. *The Appeal to Arms, 1861-1863* (The American Nation: A History. Volume 20). Pp. xvi, 354. Price, \$2.00. New York: Harper & Brothers, 1906.

The purpose of this volume, so the editor states in the introduction, is to furnish a civil and military history of the Civil War, which shall be at once "brief, compact and impartial." The volume opens with a short discussion of the resources of both sides, which is followed by a series of brief sketches of the leaders, federal and confederate. Next, the author takes up the military side of the Civil War, campaign by campaign, from Manassas to Gettysburg. Very little attention is paid to other than military affairs. There is one chapter on emancipation, and another—the last one—on foreign affairs. Scattered throughout the text are found pages or paragraphs here and there about social, economic and political affairs, though generally these are neglected. It is possible, however, that the author intends to treat them in his second volume.

As a military history, the work is very good. The style is clear and non-technical, and is easily understood. Since the author deals only with essentials, the reader is not lost in a multitude of details about minor movements and matters of controversy. The author indulges in few sweeping judgments; in this respect the work is much superior to the previous volume by Admiral Chadwick. Dr. Hosmer has an eye to the picturesque whether in man or events, and usually makes the most of what he sees of this kind.

A point which the author rightly insists upon is that the great leaders of both sides had to learn how to fight, that all of them did some poor "prentice work." This fact is often forgotten in judging the early mistakes of the great commanders. The author is fair and judicial in his estimates of the leaders on both sides, whether successful or unsuccessful. In a discussion about the value of a West Point training, he decides that it had some value, though evidently, in his view, not a great deal. On the southern side he says that Forrest was the only conspicuous leader who came from civil life. He had "some of the qualities of a great commander." No ex-Confederate could describe better the military career of Lee or of Jackson. The author's criticism of Lee's mistakes is the most convincing that the reviewer remembers ever to have read.

Some points deserve slight criticism. The author does not seem to have a very clear understanding of internal conditions in the South. This leads him to believe in the theory about the dictatorship of Davis (p. 250), the efficiency of the conscription laws (p. 174), and in general, causes him to accept



at their face value the laws and regulations of the Confederacy. A careful study of internal conditions in the South will not justify such an acceptance. He seems to accept the tradition about a closed aristocracy in the South (p. 7). Some objection might reasonably be made to the comparison between Stonewall Jackson and John Brown, and the "craziness" of Jackson is entirely too much insisted upon. Dr. Hosmer served in the war as a soldier, and to him the Confederates were rebels and the war a rebellion, not a civil war, and on technical matters this is still his view. This conviction results in no biased statement of facts, but it does result sometimes in a one-sided attitude towards certain events. For instance, throughout the work he insists upon the fact that the Confederates sequestered the property of northern enemies, and treats the policy of confiscation rather mildly as one of retaliation. Also the demand of the Confederacy that all its people take one side or the other is called a persecution of the Unionists, while nothing is said of similar treatment of Confederate sympathizers in the North. This view leads the author, when speaking of Robert E. Lee, to say that he "forfeited his allegiance," "sacrificed his loyalty." However, these opinions as to the fundamental nature of the contest do not effect treatment of the period in any other way.

W. L. FLEMING.

*West Virginia University.*

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**Jameson, J. Franklin** (General Editor). *Original Narratives of Early American History*. Vol. I, Olson, Julius E., and Bourne, Edward Gaylord (Editors). The Northmen, Columbus, and Cabot, 985-1503, Pp. xv, 443. Vol. II, Hodge, Frederick W., and Lewis, Theodore E. (Editors). Spanish Explorers in the Southern United States, 1528-1543. Pp. xv, 411. Vol. III, Burrage, Henry S. (Editor). Early English and French Voyages, 1534-1608. Pp. xxii, 451. Price, \$3.00 per volume. New York: Charles Scribner's Sons, 1906-07.

These volumes are the first of a series planned and reproduced under the auspices of the American Historical Association. The purpose of the series, as stated by Dr. Jameson in his general preface, is to render accessible to individual readers, libraries, schools and colleges a comprehensive and well-rounded collection of those classical narratives on which the early history of the United States is founded. The justification for such an undertaking is obvious. The scarcity of the early imprints of these pioneer narrations, or the expensive character of many of the limited editions of reprints, has rendered it impossible for the ordinary library to possess an adequate collection of the great narrative sources of American history. This series aims "to restore to their rightful position" these authorities, by issuing their narratives in a convenient and inexpensive form. The plan contemplates the publication of whole works or distinct parts of works, and hence differs from the volumes of extracts from the sources already available, which have been compiled chiefly for class use.

The three volumes already published reveal the success with which the

plans of the general editor are being carried out. The initial volume comprises in its first seventy-five pages the Vinland narrations as given in the *Saga of Eric the Red* and in the *Flat Island Book*, edited by Professor Olson. This is followed by the accounts of the four voyages of Columbus, concluding with a few documents relating to the Cabot voyages, all edited by Professor Bourne.

The second volume includes the contemporary accounts of the three most important Spanish explorations in the region now comprised in the southern part of the United States. These are Cabeza de Vaca's narrative of his remarkable wanderings, the account of the expedition of Hernando de Soto by the Gentleman of Elvas, and Pedro de Castañeda's narrative of the expedition of Coronado. Apart from the requirements of the series there was not the same necessity for the issuing of this particular volume as for the other two, as two of these narratives already have been published in handy and inexpensive form under the competent editorship of Messrs. Bourne and Winship respectively. In fact in the case of the expedition of De Soto, owing probably to the limited size of the volume, the present work is not as comprehensive, as it does not include either the narrative of De Biedma or Ranjel.

The third volume contains the three relations of Jacques Cartier and fourteen narratives of English seamen, chiefly during the reign of Queen Elizabeth. This volume is especially timely, in view of the present interest in the commemoration of the three hundredth anniversary of the settlement at Jamestown, as it includes the accounts of the most important voyages which prepared the way for the first permanent English colony. These narratives also disclose the ruling motives which actuated Englishmen in their efforts to colonize the new world.

The texts selected are the best, and the several special editors secured are men especially qualified for their particular work. Their task has been to supply introductions presenting briefly the author's career and opportunities, the place and value of his work in the literature of its class with comments upon previous editions, and a short list of authorities; in addition, to furnish annotations of a scholarly but simple character, sufficient to explain or to correct statements in the text.

If the remaining volumes are edited with a similar degree of skill and intelligence as these under review, the series will prove to be a most admirable one and will be recognized as a standard collection of source publications. We believe that the hope of the general editor that these volumes "will be widely useful in making more real and more vivid the apprehension of early American history" will be realized.

HERMAN V. AMES.

*University of Pennsylvania.*

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**Parsons, Elsie Clews.** "*The Family.*" Pp. xxv, 389. Price, \$3.00. New York: G. P. Putnam's Sons, 1906.

It is rather a singular commentary upon our times that a serious and able study of one of the most fundamental institutions in human society should have been so widely condemned, and its author abused and villified by many most prominent in the ministry and other professions. All of this came about because some one saw fit to publish a few sentences, taken from the context, which gave people the impression that the volume now under review was an attack upon the system of monogamy, and an appeal for sexual license. It is all the more disheartening to realize that at the time of this furore very few of those who participated in it could have read the book they so roundly condemned. On the other hand there must be hundreds of people who felt that they had received a gold brick when they found out the sort of book they had really purchased. All of this is deeply unfortunate, for Mrs. Parsons has given us the best book yet prepared for the student, whether in school or at home.

There are two methods of studying social institutions. The first is to take those to which one is accustomed, as the normal or perhaps even the final, and to condemn all deviations therefrom. The second is to study the different types of institutions appearing in various places on the earth, and to see why they have taken their peculiar forms, and to discuss their relative success. The first method is very commonly followed. It is easy and self-complimentary, and, moreover, present institutions have back of them legal and religious sanction. Mrs. Parsons, however, has wisely chosen the second course. Her method on any given subject is illustrated by, let us say, Lecture XIII, The Patriarchate. Eight pages are given to general discussion. This is followed by note A, a bibliography (one and a half pages); note B, quotations from various authors (two pages); note C, suggestions for individual study on relative topics; note D, descriptions of the patriarchate amongst various peoples, consisting largely of quotations (seventeen pages). It will thus be seen that the book is designed specifically for the student.

The volume begins with an introductory chapter, followed by fifteen lectures, all of them treated in much the same fashion as the one mentioned above. The mere title of these lectures will sufficiently indicate their subject matter. The Meaning of the Family in Evolution (five pages); The Duration of Parental Care among Mankind (seventeen pages); Social Factors in Birth and Child Death Rates (fifteen pages); Parental Power (twenty-nine pages); Home Education and Stages of Parenthood (twenty-one pages); Sexual Relations Exclusive of Marriage (twenty-four pages); The Form and Duration of Marriage (twenty-three pages); Sexual Choice (twenty-eight pages); Betrothal and Marriage Ceremonial, and Relations between Husband and Wife exclusive of Economic Relations (thirty-one pages); Economic Relations between Husband and Wife (twenty-five pages); The Reckoning of Descent and Kinship (eighteen pages); Kinship Groups—The Primitive Simple Family—The Compound Family—The Matriarchate (twenty-nine pages); The Patriarchate (twenty-nine pages); The Modern Simple Family

(twelve pages); Ethical Conditions (eighteen pages). The volume is concluded by translations of a questionnaire of Dr. Post's and the index.

It will thus be seen that with the exception of the last single short chapter we have a descriptive account of the family institution amongst various human races. No one therefore who has carefully read this book can take an exception to the standpoint of Mrs. Parsons on moral grounds. Mrs. Parsons believes that "as a matter of fact, truly monogamous relations seem to be those most conducive to emotional and intellectual development and to health, so that, quite apart from the question of prostitution, promiscuity is not desirable or even tolerable." She has been considering in the context immediately preceding this the evils of prostitution and the dual standards of sexual morality. In view of the evils she has been discussing she merely raises the question whether it might not be better to arrange more definitely than we now do by our haphazard system, for some sort of a marriage established with the view to permanency, but which, under certain conditions, might be terminated without incurring the censure of the public, if the marriage were unsuccessful and there were no children. Whether the author really advocates this, or whether one agrees with her if she does are matters of unimportance. The family is a human institution, under human control, and any suggestion from a serious student looking toward the removal of present evils, and a substitution of a better scheme is a matter of careful consideration, and not for indiscriminate condemnation of the one who makes it.

To all those who have occasion to study the family this scholarly, modest and able treatment is to be commended. The volume should have wide use in college and university class rooms, and of that larger group of students in various associations outside.

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**Prentice, E. P.** *The Federal Power over Carriers and Corporations.* Pp. xi, 244. Price, \$1.50. New York: Macmillan Co., 1907.

This scholarly work covers a large and important subject with most commendable conciseness. Two of the eight chapters are notably strong, Chapter III on *Gibbons vs. Ogden*, and Chapter VII on the Anti-Trust Act. The discussion of *Gibbons vs. Ogden* brings out very clearly the precise scope and limits of Justice Marshall's famous decision. The treatment of the anti-trust law, although comprehensive, is less satisfactory.

The volume as a whole consists of an argument against the extension of the powers of the national government. From time to time throughout the book the author calls attention to the dangerous breadth being given by the federal courts to the national government. The author thinks great care should be taken to develop the powers and functions of the states. In the closing paragraph of the book he states:

"It is of great importance in all these matters, and particularly at the present time in commercial affairs, that state jurisdiction be not superseded,

but that the federal constitution be construed, as it has been, so as to prevent restrictions upon intercourse among the states; at the same time that each state is left free, so far as possible, to follow its own courses in the coming development."

The general nature of the author's arguments regarding the extension of federal power is indicated by the fact that he doubts the constitutionality of the regulation of interstate railroad rates by congress. The author's view is that the supreme court, in denying to the states the power to regulate interstate rates should, for the same reason, have denied their power to the federal government (page 136).

Mr. Prentice's views on the "trust" question are interesting, to say the least. He evidently regards the problem of monopoly and the "trust" question as relatively unimportant. He states:

"Individuals are now, as they have been, equal before the law. Competition is what it has been. There is no relaxation in the rules which forbid restraint of trade. Every person may engage in trade as he desires, and compete as he can. That his ability is limited only by his capacity, and by the extent of his resources, shows his complete freedom to overcome the competition of those who are weaker, and his danger before those who are stronger. It is mere confusion to define restraints of trade in terms of power, as the inability to compete successfully, or to attempt to apply the law which forbids restraints so as, if possible, to destroy by this provision the inequalities which other provisions create. . . . The methods of competition are the same, however, whether conducted by small or great. The question is not of methods, but of the power of competition. When a dealer of large means, able to take advantage of economies which a great business makes possible, and having also the further advantage of a wide market, competes with a dealer of small means dependent upon comparatively expensive methods and a limited market, the small competitor reaches the end of its resources first. This cannot be changed by statutes regulating competition."

The above quotation indicates the character of the author's analysis of the "trust" question. There is nothing in the book regarding the flagrant violations of law by the Standard Oil Company and other trusts, nothing as to discriminations and as to the destructive warfare of the powerful against the weak by legal and illegal methods.

Viewing the "trust" problem as the author does, it is not surprising that he believes "That state jurisdiction is adequate to reach the commercial conditions from which has arisen the current demand for trust legislation, is shown by the fact that these conditions have been brought about by recent modification of state laws." Mr. Prentice's analysis of the "trust" problem leads him to conclude that "The supreme court, in construing the statute which is based upon the power of Congress to maintain intercourse among the states, has gone to the verge of federal jurisdiction. An extension of present doctrines could be made only by sacrifice of state authority for efficient local government, and—a matter of still greater importance—by overturning long-established principles of constitutional law" (page 211).



Mr. Prentice's argument regarding the federal power leads him naturally to conclude that federal incorporation of companies doing an interstate business would be unconstitutional and would work dangerous limitations upon the powers of the states. His views regarding federal licenses are equally strong, although he does not argue the constitutional questions involved in federal incorporation of licenses.

The foregoing criticisms indicate that Mr. Prentice's excellent work has serious limitations which are doubtless the result of his close identity with certain large corporations whose activities may be more or less affected by the enforcement of the anti-trust act.

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**Price, William Hyde.** *The English Patents of Monopoly.* Harvard Economic Studies. Pp. xii, 261. Price, \$1.50. Boston: Houghton, Mifflin & Co., 1906.

This is a subject that has waited surprisingly long for a monographist. Of equal interest to the student of both constitutional and economic history, falling within one of those periods on which the eyes of men have been directed with especial attention, giving occasion for more than one serious crisis in the reigns of the last of the Tudors and the first of the Stuarts, the system of patents of monopoly in the sixteenth and seventeenth centuries has been described previously only by the writers of the general narrative or economic history of England. It is not so much a matter of surprise therefore that a substantial volume, the first in the series of "Harvard Economic Studies," should be devoted to this subject as that it has not been separately treated before.

Mr. Price has devoted three chapters, about one quarter of his book, to the history of the system of monopolies, their origin, the opposition to them and their abolition and regulation. Twelve more chapters, something more than another quarter of the book are given to the industrial history of as many different classes of manufacturing or mining occupations under the régime of monopoly; and the remaining half of the book to a number of original documents and to bibliographical material. The system as a whole is thus described as an historical episode, examples of the policy analyzed with a view to economic criticism of the results, and the principal contemporary proofs and exemplifications given. The author identifies the régime of monopoly, in this sense, with the period from 1550 to 1640, practically the reigns of Elizabeth, James I and Charles I. During this time industrial, financial and political conditions all favored monopolies protected by the crown, and the book is practically a study of the results of crown grants and support of these monopolies.

The contemporary sources here printed or reprinted are interesting and useful, well-chosen and well-grouped, giving to the subject a reality and

comprehensibility that could hardly be gained except by having these significant documents thus selected and placed in juxtaposition. The bibliography also is obviously the result of familiarity with the subject, and good judgment and skill in selection. The narrative of the industrial experiences of the various patentees is also well told, though the contentious object of proving the disadvantages of a régime of government encouragement is rather unnecessarily obtruded. It might be as well to let the reader draw his own conclusions from the writer's plain unvarnished tale, the former being presumably as well qualified as the author to come to a decision, if only the latter will give him all the facts of the case. Nevertheless the history of the attempts to develop silver, lead, copper and zinc mines; to manufacture wire, glass, soap and starch; to mine and purify iron, alum and salt; to dress and dye cloth, are all interesting and suggestive. A characteristic phenomenon is the presence of foreigners in almost all these projects. It would seem that scarcely a single step in advance in industrial matters was taken without the initiative or the help of the foreign inventor or expert.

The six great steps in the "political" history of the régime of monopolies, as Mr. Price calls it, in contradistinction to the "industrial" history are the introduction of the custom of making such grants during the reign of Elizabeth, the promise of the queen in 1601 to allow the legality of all monopolies to be decided by the common-law courts, the decision against most of them by the court of King's Bench in 1603, the parliamentary statute still further limiting them in 1624, their recrudescence under Charles I, and the final definite action against them by the Long Parliament in 1640-41. This part of the work is apparently intended to be introductory to the more purely economic portion, rather than an adequate study in itself, and it might readily have been carried to much greater length without going outside its subject. Many forms of monopoly are here grouped together, though they come from quite different origins. Those which could claim a justification on the ground of introducing a new industry into the community are quietly appropriated by the author as the principal subject of interest, and as the typical monopolies, although much of the history of the movement belongs rather to other classes than to these. Altogether, this work, although of much interest and great value by no means exhausts the subject of patents of monopoly, as a matter of investigation and discussion.

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**Weale, B. L. P.** *The Truce in the East and its Aftermath.* Pp. xv, 647.

Price, \$3.50. New York: Macmillan Co., 1907.

Mr Weale's book brings no reassurance to those who doubt the value of the treaty of Portsmouth. The outlook is gloomy for many reasons. Not the least of these is the present attitude of Japan. Mr. Weale fears that now Japan has been placed in so advantageous a position that she will bend all her efforts to obtaining exclusive privileges to the abandonment of the "open

door." The action of the government in Korea in taking over numerous branches of industry formerly in private hands shows that by indirection Japan may accomplish what she has bound herself not to do directly. This course the author holds is symptomatic of the whole Japanese official attitude of mind at present.

The arrogant attitude of the government is the more surprising, the author insists, because of the conditions under which peace was made. Russia, he asserts, was never in a better position to oppose Japanese advance than just at the end of the war. Possessed as she is now of the grain fields of Manchuria, still controlling six-sevenths of the province and two-thirds of the railway mileage, she is in a position which will strengthen rather than weaken her military position. It will be a surprise to many of the author's readers to have him assert, in addition to all this, that the loss of Port Arthur, "the leased territory which never did her any good" (p. 419), and the Liotung peninsula as a whole, is a positive advantage. Vladivostoc will be built up by cutting off the development of the Japanese railways in Manchuria by enforcing prohibitory rates on through freight. It is curious to note that the author speaks of the "protecting ice" which cuts off the port for so large a part of the year as if it too were an advantage—a condition which, if it is ever an advantage, is certainly one existing in war time only and not contributing to the development of a commercial emporium. In the arrogance of Japan, who unmindful of the fact that her economic position guarantees her the ultimate preponderance in Chinese foreign trade, wishes to get a monopoly of that commerce, and in the fact that Russia, holding the agricultural resources and the railroads on the north, is still "unconvinced by the war," lie the seeds of a future conflict which may make the past one look like a border foray. The present Anglo-Japanese alliance which the author thinks a regrettable mistake in British foreign policy may delay the clash till 1915, but that will only mean that the combatants will then be better fitted for the struggle. The rôle the other great powers will play in the East is not a decisive one—at least it will not give the first impulse to the course of events. Germany, formerly anxious for partition, now apparently an advocate of the open door (p. 444), may be counted on to wait, but would enjoy fishing in troubled waters. The United States is hesitant, and France, unless unforeseen developments occur, will be satisfied to devote her attention to her Indo-Chinese holdings. The greatest source of trouble is then still the clash of interests between Japan and Russia. The conflict here is almost sure to break out again—unless there can be developed in the next decade a new China. In that lies the hope of lasting peace in the Orient. Above all things now is the time for fusing conflicting interests, for winning over the intelligent portion of the Chinese people (p. 408). Fortunately the government is beginning to show some realization of this fact. The rising feeling of nationality opposing foreign enterprise in public works, the educational revival, the army development, the campaign for restricting extra-territoriality, the appreciation of rail power, financial reforms and many other developments, show that China has already partly awakened to the disadvan-

tages of her position. Yet, though the author evidently ardently hopes this may be the solution of affairs in the East, there is throughout his chapters an attitude of doubt born of the numerous disappointed hopes with which every observer of the Orient is familiar.

The last one-third of the book is taken up with a very valuable set of appendices, giving the recent treaties concerning the Far East, statistics as to naval equipment, studies of the foreign trade of China, the trade regulations and an excellent large map. For the student of Eastern affairs these are invaluable.

The book is an admirable presentation of the impressions of one of the closest observers of Oriental politics. The reader to fully appreciate the work must already have a fair knowledge of the Eastern situation. With such a background he will find this volume though a little anti-Japanese in tone, still on the whole clear, judicial and full of convincing statements of fact.

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**Webb, Sidney, and Beatrice.** *English Local Government from the Revolution to the Municipal Corporation Act: The Parish and the County.* Pp. xxv, 664. Price \$4.00. New York: Longmans, Green & Co., 1906.

This is a work of the greatest value and importance. When it shall have been completed,—and the earnest, scholarly work of its authors and their power of systematic presentation gives every hope that it will be satisfactorily completed,—but few fields of institutional history and practice will be provided with so adequate and suggestive a body of fundamental knowledge as the field of English local government and administration. This substantial volume describes the organization and history of the parish and county respectively, during the period lying between 1688 and 1835.

The characteristics that strike one most are the extent of the sources used, the freedom of the authors from preconceived theories, and their capacity to form theories or original views as they examine and classify their material. In their general treatment of the history of the parish, for instance, they turn aside alike from the militant anti-clericalism of Toulmin-Smith, the high church ecclesiastical dogmatism, and the vague derivations of the parish vestry from the old English village community, and devote themselves to an objective discussion of the documentary evidence actually forthcoming for this period. Thus the organization of the parish, with its boundaries, officers and vestry emerges in a comparatively clear, if not always consistent or uniform shape. The authors find that there have been on the whole three general types of parish government; that in which the work of local government was carried on by voluntary meetings of the inhabitants, appointing committees and engaging paid officers, that in which the work was carried on by a small body of the more well-to-do inhabitants, taking the unpaid parish offices in turn by common consent, and thirdly, that in which a "close vestry"

has obtained legal powers of self-perpetuation and local government and taxation. It is to an analysis and estimation of the success of these forms, and to the changes in them in the early nineteenth century, that the first book is devoted; drawing its information from hundreds of local records, and from casual references in general literature, the statutes, and legal decisions.

The description and history of the county which the authors make the subject of their second book, we should have placed first. Its officers were superior to those of the parish, its organization was more uniform. The lord lieutenant and the sheriff, the high constables and the coroners, and above all the justices of the peace had clearly ascertainable, if enormously varied, duties. Far the largest variety and extent of these duties was imposed upon the justices of the peace, and almost an even half of this whole volume is naturally and properly devoted to a history of the organization, personality, character and activities of these "men of all work" of the central government so far as it interested itself in local affairs.

One of the most admirable and useful features of this book is the reference and bibliographical material placed in the foot-notes. Every significant statement is given its authority, and information as to the source material on the subject is scattered throughout the whole work. Altogether it may be said that every student of English local history or administration will now have to read this book with care, and every such student is to be congratulated on having such a key to his subject.

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